

02-22-2001

FORM PTO-1594

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U.S. DEPARTMENT OF COMMERCE  
Patent and Trademark Office

1-31-92  
2/22/01  
Tab settings

101616777

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

1. Name of conveying party(ies): **DREAMSHEETS U.S., INC.**

Individual(s)                       Association

General Partnership               Limited Partnership

Corporation-State (DE)

Other \_\_\_\_\_

Additional name(s) of conveying party(ies) attached?  Yes  No

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

Name: **UBS NOMINEES PTY LIMITED, as Security Agent**

Internal Address: c/o UBS Warburg LLC

Street Address: 299 Park Avenue

City: New York State: NY ZIP: 10171

3. Nature of conveyance:

Assignment                               Merger

Security Agreement                       Change of Name

Other \_\_\_\_\_

Execution Date: November 13, 2000

Individual(s) citizenship \_\_\_\_\_

Association \_\_\_\_\_

General Partnership \_\_\_\_\_

Limited Partnership \_\_\_\_\_

Corporation-State \_\_\_\_\_

Other Corporation organized under the laws of New South Wales

If assignee is not domiciled in the United States, a domestic representative designation is attached:  Yes  No

(Designation must be a separate document from Assignment)

Additional name(s) & address(es) attached?  Yes  No

RECEIVED  
 2001 FEB 25 PM 2 52  
 ASSIGNMENT OF TRADEMARKS  
 U.S. PATENT AND TRADEMARK OFFICE

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

A. Trademark Application No.(s)

B. Trademark Registration No.(s) **2,121,639 ; 1,953,433 ; 1,928,056 ; 1,351,753 ; 1,555,360**

Additional numbers attached?  Yes  No

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

Name: Jason A. Cohen, Esq.

Internal Address: Simpson Thacher & Bartlett

Street Address: 425 Lexington Avenue

City: New York State: New York ZIP: 10017

6. Total number of applications and registrations involved: 5

7. Total fee (37 CFR 3.41): ..... \$140.00

Enclosed

Authorized to be charged to deposit account

8. Deposit account number: \_\_\_\_\_

(Attached duplicate copy of this page if paying by deposit account)

02/22/2001 DBYRNE 00000199 2121639

DO NOT USE THIS SPACE

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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.

Jason A. Cohen, Esq.  
Name of Person Signing

[Signature]  
Signature

2/20/2001  
Date

Total number of pages comprising cover sheet: 57

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

**TRADEMARK**  
**REEL: 002239 FRAME: 0179**

## COLLATERAL AGREEMENT

COLLATERAL AGREEMENT, dated as of November 13, 2000, made by each of the signatories hereto (together with any other entity that may become a party hereto as provided herein, the "Grantors"), in favor of UBS NOMINEES PTY LIMITED, as security agent (in such capacity, the "Security Agent") for the benefit of the Secured Parties (as defined below).

WITNESSETH:

WHEREAS, pursuant to the Senior Facility Agreement, dated as of November 10, 2000 (as amended, supplemented or otherwise modified from time to time, the "Senior Facility Agreement"), among Dreamsheets Investment Pty Limited (the "Borrower"), the subsidiaries of the Borrower (including the other Grantors) from time to time parties thereto, the banks and financial institutions referred to therein (the "Senior Lenders"), UBS Australia Limited, as agent for the Senior Lenders (in such capacity, the "Senior Agent"), UBS Nominees Pty Limited, as security agent for the Senior Lenders, the Senior Lenders have severally agreed to make loans to, and to grant a revolving credit facility to the Borrower (the "Senior Facilities") upon the terms and subject to the conditions set forth therein;

WHEREAS, pursuant to (i) the Subscription Agreement for Subordinated Facility, dated as of November 10, 2000 (as amended, supplemented or otherwise modified from time to time, the "Subscription Agreement"), among the Borrower, the lenders (the "Mezzanine Lenders") and guarantors (including the other Grantors) referred to therein, UBS Australia Limited, as agent for the Mezzanine Lenders (in such capacity, the "Mezzanine Agent"), the Security Agent, as security agent for the Mezzanine Lenders and UBS Warburg Australia Corporate Finance Limited, as arranger and (ii) the Loan Note Deed Poll, dated as of November 10, 2000, executed by the Borrower in favor of the Mezzanine Lenders (the "Loan Note Deed Poll" and, together with the Subscription Agreement, collectively, the "Mezzanine Facility Agreement"), the Mezzanine Lenders have agreed to make loans to the Borrower (the "Mezzanine Loans") upon the terms and subject to the conditions set forth therein;

WHEREAS, pursuant to (i) the Vendor Note Agreement, (ii) the Second Vendor Note Agreement and (iii) each note issued under either such agreement, each dated as of November 13, 2000 (as amended, supplemented or otherwise modified from time to time, collectively, the "Vendor Note Agreements" and, together with the Senior Facility Agreement, the Mezzanine Loan Agreement, each other Finance Document (as defined in the Intercreditor Deed) and any other document which the Grantors and the Security Agent agree is a Secured Agreement hereunder, collectively, the "Secured Agreements") among the Borrower, C.S. Brooks, Inc. (in such capacity, the "Noteholder" and, together with the Senior Lenders, the Mezzanine Lenders, the Senior Agent, the Mezzanine Agent, the Vendor, the Security Agent, each other Beneficiary (as defined in the Intercreditor Deed) and any other Person which the Grantors and the Security Agent shall agree is a Secured Party hereunder, collectively, the "Secured Parties"), and the subscribers of the Borrower (including the other Grantors) from time to time parties thereto, the Borrower has promised to pay to the Noteholder the amounts specified therein and upon the terms and subject to the conditions set forth therein;

WHEREAS, the parties to the Senior Facility Agreement, the parties to the Mezzanine Facility Agreement and the Noteholder, in its capacity as holder of the notes issued pursuant to the Vendor Note Agreements, are parties to an Intercreditor Deed, dated as of November 10, 2000 (as amended, supplemented or otherwise modified from time to time, the "Intercreditor Deed") providing for the regulation of all claims of the Secured Parties under the Secured Agreements;

WHEREAS, the Borrower is affiliated with each other grantor;

WHEREAS, the proceeds of the extensions of credit under the Secured Agreements will be used in part to enable the Borrower to make valuable transfers to one or more of the other Grantors in connection (i) the Business Sale Agreement U.S., dated as of November 13, 2000, between the Noteholder and Dreamsheets U.S., Inc. ("Dreamsheets U.S.") and (ii) the Intellectual Property Sale Agreement, dated as of November 13, 2000, between the Noteholder and Dreamsheets U.S. pursuant to which Dreamsheets U.S. has agreed to purchase certain assets of the Noteholder in the United States of America;

WHEREAS, the Borrower and the other Grantors are engaged in related businesses, and each Grantor will derive substantial direct and indirect benefit from the making of the extensions of credit under the Secured Agreements; and

WHEREAS, it is a condition precedent to the obligation of the Secured Parties to make their respective extensions of credit to the Borrower under the Secured Agreements that each Grantor shall have executed and delivered this Agreement to the Security Agent for the benefit of the Secured Parties;

NOW, THEREFORE, in consideration of the premises and to induce the Security Agent and the Secured Parties to enter into the Secured Agreements and to induce the Secured Parties to make their respective extensions of credit to the Borrower under the Secured Agreements, each Grantor hereby agrees with the Security Agent, for the benefit of the Secured Parties, as follows:

## SECTION 1. DEFINED TERMS

1.1 Defined Terms. Unless otherwise defined herein or in the preamble or recitals hereto, terms defined in the Intercreditor Deed and used herein shall have the meanings given to them in the Intercreditor Deed, and the following terms which are defined in the Code in effect in the State of New York on the date hereof are used herein as so defined: Accounts, Certificated Security, Chattel Paper, Documents, Equipment, Farm Products, Instruments and Inventory; and the following terms shall have the following meanings:

"Affiliate": as to any Person, any other Person that, directly or indirectly, is in control of, is controlled by, or is under common control with, such Person. For purposes of this definition, "control" of a Person means the power, directly or indirectly, either to (a) vote 10% or more of the securities having ordinary voting power for the election of directors (or persons performing similar functions) of such Person or (b) direct or cause the direction of the management and policies of such Person, whether by contract or otherwise.

"Agreement": this Collateral Agreement, as the same may be amended, supplemented or otherwise modified from time to time.

"Borrower Obligations": the collective reference to the unpaid principal of, and interest on all amounts advanced to the Borrower pursuant to the terms of the Senior Loan Agreement, the Mezzanine Facility Agreement and the Vendor Note Agreements and all other obligations and liabilities of the Borrower and any of its Subsidiaries (including, without limitation, interest accruing at the then applicable rate provided in the Secured Agreements after the maturity of any loan under any of the Secured Agreements and interest accruing at the then applicable rate provided in the Secured Agreements after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to the Borrower, whether or not a claim for

post-filing or post-petition interest is allowed in such proceeding) to the Security Agent or any other Secured Party (or, in the case of any Hedge Agreement, any Affiliate of any Senior Lender), whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, which may arise under, out of, or in connection with, the Secured Agreements, this Agreement, any Hedge Agreement or any other Agreement made, delivered or given in connection with any of the foregoing, in each case whether on account of principal, interest, reimbursement obligations, fees, indemnities, costs, expenses or otherwise (including, without limitation, all reasonable fees and disbursements of counsel to the Security Agent or to any other Secured Party that are required to be paid by any Borrower or any Material Entity pursuant to the terms of any of the foregoing agreements).

**“Capital Stock”**: any and all shares, interests, participations or other equivalents (however designated) of capital stock of a corporation, any and all equivalent ownership interests in a Person (other than a corporation) and any and all warrants, rights or options to purchase any of the foregoing.

**“Code”**: the Uniform Commercial Code as from time to time in effect in the State of New York.

**“Collateral”**: as defined in Section 2 of this Agreement.

**“Collateral Account”**: any collateral account established by the Security Agent as provided in Section 5.1 or 5.4.

**“Contract”**: the contracts and agreements listed on Schedule 7 hereto, as the same may be amended, supplemented or otherwise modified from time to time including, without limitation, (i) all rights of any Grantor to receive moneys due and to become due to it thereunder or in connection therewith; (ii) all rights of any Grantor to damages arising thereunder; and (iii) all rights of any Grantor to perform and to exercise all remedies thereunder.

**“Contractual Obligation”**: means as to any Person, any provision of any security issued by such Person or of any agreement, instrument or other undertaking to which such Person is a party or by which it or any of its property or assets is bound.

**“Copyright License”**: any written agreement, naming any Grantor, as licensor or licensee including, without limitation, those listed on Schedule 6, granting any right under any Copyright including, without limitation, the grant of rights to manufacture, distribute, exploit and sell materials derived from any Copyright.

**“Copyrights”**: (i) all copyrights arising under the laws of the United States, any other country or any political subdivision thereof, whether registered or unregistered and whether published or unpublished (including, without limitation, those listed in Schedule 6), all registrations and recordings thereof, and all applications in connection therewith, including, without limitation, all registrations, recordings and applications in the United States Copyright Office, and (ii) the right to obtain all renewals thereof.

**“Deposit Account”**: as defined in the Code (or similar laws) of any applicable jurisdiction and, in any event, including, without limitation, any demand, time, savings, passbook or like account maintained with a depository institution.

**“Event of Default”**: as defined in the Intercreditor Deed.

**“General Intangibles”**: all “general intangibles” as such term is defined in Section 9-106 of the Code and, in any event, including, without limitation, with respect to any Grantor, all contracts, agreements, instruments and indentures in any form, and portions thereof, to which such Grantor is a party or under which such Grantor has any right, title or interest or to which such Grantor or any property of such Grantor is subject, as the same may from time to time be amended, supplemented or otherwise modified, including, without limitation, (i) all rights of such Grantor to receive moneys due and to become due to it thereunder or in connection therewith, (ii) all rights of such Grantor to damages arising thereunder and (iii) all rights of such Grantor to perform and to exercise all remedies thereunder, in each case to the extent the terms thereof (after giving effect to any consent that has been obtained, it being understood that such Grantor is not obligated to obtain any such consent) do not prohibit the grant by such Grantor of a security interest pursuant to this Agreement in its right, title and interest therein without the consent of any other party thereto and do not give any other party thereto the right to terminate its obligations thereunder; provided, that the foregoing limitation shall not affect, limit, restrict or impair the grant by such Grantor of a security interest pursuant to this Agreement in any Receivable or any money or other amounts due or to become due or other right to payment under any such contact, agreement, instrument or indenture.

**“Governmental Authority”**: any nation or government, any state or other political subdivision thereof, any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative functions of or pertaining to government, any securities exchange and any self-regulatory organization (including the National Association of Insurance Commissioners).

**“Guarantor Obligations”**: all obligations and liabilities of each Grantor (other than Borrower Obligations) which may arise under, out of, or in connection with any Secured Agreement to which such Grantor is a party, in each case whether on account of guarantee obligations, reimbursement obligations, fees, indemnities, costs, expenses or otherwise (including, without limitation, all fees and disbursements of counsel to the Security Agent or to any other Secured Party that are required to be paid by such Grantor pursuant to the terms of any of the foregoing agreements).

**“Hedge Agreements”**: as defined in the Intercreditor Deed.

**“Insurances”**: as to the Grantor, all present and future contracts or policies or insurance (other than life assurance policies) taken out by the Grantor or in which the Grantor from time to time has an interest.

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

**“Intercompany Note”**: any promissory note evidencing loans made by any Grantor to the Borrower or any of its Subsidiaries.

**“Investment Property”**: the collective reference to (i) all “investment property” as such term is defined in Section 9-115 of the Code and (ii) whether or not constituting “investment property” as so defined, all Pledged Stock.

**“Issuers”**: the collective reference to each issuer of any Investment Property.

**“License”**: means any Copyright License, Patent License or Trademark License.

**“Lien”**: any mortgage, pledge, hypothecation, deposit arrangement, encumbrance, lien (statutory or other), charge, or other security interest or any preference, priority or other security agreement or preferential arrangement of any kind whatsoever (including any conditional sale or other title retention agreement and any capital lease having substantially the same economic effect as any of the foregoing).

**“Material Adverse Effect”**: as defined in the Secured Agreements.

**“Obligations”**: (i) in the case of the Borrower, the Borrower Obligations and (ii) in the case of each other Grantor, its Guarantor Obligations.

**“Patent License”**: all agreements whether written or oral providing for the grant by or to any Grantor of any right to manufacture, use or sell any invention covered in whole or in part by a Patent including, without limitation, any of the foregoing referred to in Schedule 6.

**“Patents”**: (a) all letters patent of the United States or any other country or any political subdivision thereof, all reissues and extensions thereof and all goodwill associated therewith, including, without limitation, any of the foregoing referred to in Schedule 6 hereto, (b) all applications for letters patent of the United States or any other country and all divisions, continuations and continuations-in-part thereof, including, without limitation, any of the foregoing referred to in Schedule 6 and (c) all rights to obtain any reissues or extensions of the foregoing.

**“Person”**: an individual, partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture, Governmental Authority or other entity of whatever nature.

**“Pledged Stock”**: the shares of Capital Stock listed on Schedule 2, together with any other shares, stock certificates, options, interests or rights of any nature whatsoever in respect of the Capital Stock of any Person that may be issued or granted to, or held by, (i) any Grantor (other than the Borrower) while this Agreement is in effect or (ii) by the Borrower in any U.S. Person; provided, that Pledged Stock shall only include 65% of the Capital Stock of any non-U.S. Person.

**“Proceeds”**: all “proceeds”, as such term is defined in Section 9-306(1) of the Code and, to the extent not included in such definition, shall include, without limitation, (a) any and all proceeds of any insurance, indemnity, warranty, guaranty or letter of credit payable to the Grantor, from time to time with respect to any of the Collateral, (b) all payments (in any form whatsoever) paid or payable to the Grantor from time to time in connection with any taking of all or any part of the Collateral by any Government Authority or any Person acting under color of any Government Authority, (c) all judgments in favor of the Grantor in respect of the Collateral, (d) all dividends or other income from the Investment Property, collections thereon or distributions or payments

with respect thereto and (e) all other amounts from time to time paid or payable or received or receivable under or in connection with any of the Collateral.

**“Receivable”**: any right to payment for goods sold or leased or for services rendered, whether or not such right is evidenced by an Instrument or Chattel Paper and whether or not it has been earned by performance (including, without limitation, any Account).

**“Requirement of Law”**: as to any Person, the Certificate of Incorporation and By-Laws or other organizational or governing documents of such Person, and any law, treaty, rule or regulation or determination of an arbitrator or a court or other Government Authority, in each case applicable to or binding upon such Person or any of its property or assets or to which such Person or any of its property is subject.

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

**“Trademarks”**: means (a) all trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, logos and other source or business identifiers, and the goodwill associated therewith, now existing or hereafter adopted or acquired, all registrations and recordings thereof, and all applications in connection therewith, whether in the United States Patent and Trademark Office or in any similar office or agency of the United States, any state thereof or any other country or any political subdivision thereof, or otherwise, including, without limitation, any of the foregoing referred to in Schedule 6 hereto, and (b) the right to obtain all renewals thereof.

**“Vehicles”**: means all cars, trucks, trailers, construction and earth moving equipment and other vehicles covered by a certificate of title law of any state and, in any event including, without limitation, the vehicles listed on Schedule 8 and all tires and other appurtenances to any of the foregoing.

1.2 Other Definitional Provisions. (a) The words “hereof”, “herein”, “hereto” and “hereunder” and words of similar import here used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and Section and Schedule references are to this Agreement unless otherwise specified.

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

(c) Where the context requires, terms relating to the Collateral or any party thereof, when used in relation to a Grantor, shall refer to such Grantor’s Collateral or the relevant part thereof.

## SECTION 2. GRANT OF SECURITY INTEREST

As collateral security for the prompt and complete payment and performance when due (whether at the stated maturity, by acceleration or otherwise) of the Borrower Obligations and each other Grantor’s Obligations, each Grantor (including the Borrower) hereby assigns and transfers to the Security Agent, and hereby grants to the Security Agent, for the benefit of the Secured Parties, a security interest in all of the following property now owned or at any time hereafter acquired by such Grantor or in which

such Grantor now has or at any time in the future may acquire any right, title or interest in (collectively, the "Collateral"):

- (a) all Accounts;
- (b) all Chattel Paper;
- (c) all Contracts;
- (d) all Deposit Accounts;
- (e) all Documents;
- (f) all Equipment;
- (g) all General Intangibles;
- (h) all Instruments;
- (i) all Intellectual Property;
- (j) all Inventory;
- (k) all Investment Property;
- (l) all Vehicles
- (m) all books and records pertaining to the Collateral;
- (n) to the extent not otherwise included, all Proceeds and products of any and all of the foregoing and all collateral security and guarantees given by any Person with respect to any of the foregoing.

**SECTION 3. REPRESENTATIONS AND WARRANTIES**

To induce the Security Agent and the Secured Parties to enter into the Secured Agreements and to induce the Secured Parties to make their respective extensions of credit thereunder each Grantor hereby represents and warrants to the Security Agent and each Secured Party that:

**3.1 Power and Authority.** Each Grantor has the power and authority and the legal right to execute and deliver, to perform its obligations under, and to grant the security interest on the Collateral pursuant to, this Agreement and has taken all necessary corporate actions to authorize its execution, delivery and performance of, and grant of the Lien on the Collateral pursuant to, this Agreement.

**3.2 Title; No Other Liens.** Except for the security interest granted to the Security Agent for the benefit of the Secured Parties pursuant to this Agreement and the other Liens permitted to exist on the Collateral by the Secured Agreements, such Grantor owns each item of the Collateral pledged by it hereunder free and clear of any and all Liens or claims of others. No security agreement, financing statement or other public notice with respect to all or any part of the Collateral pledged by it hereunder is on file or of record in any public office, except (i) such as may have been filed in favor of the Security Agent, for the benefit of the Secured Parties, pursuant to this Agreement, or (ii) as may be permitted pursuant to the Secured Agreements.



**3.3 Perfected Liens.** The security interests granted pursuant to this Agreement will constitute, if capable of being perfected by filing, upon completion of the filing and other actions specified on Schedule 3 (which, in the case of all filings and other documents referred to on such Schedule have been delivered to the Security Agent in completed and executed form) and the delivery of any certificates or instruments representing Pledged Stock to the Security Agent, valid perfected security interests in all of the Collateral (other than Deposit Accounts or Vehicles) in favor of the Security Agent for the benefit of the Secured Parties, as collateral security for such Grantor's Obligations, enforceable in accordance with the terms hereof against all creditors of such Grantor and any Persons purporting to purchase any Collateral from such Grantor and are prior to all other Liens on the Collateral in existence on the date hereof, except for unrecorded Liens permitted by the Secured Agreements which have priority over the Liens on the Collateral by operation of law.

**3.4 Investment Property.** (a) The shares of Pledged Stock pledged by such Grantor hereunder constitute all the issued and outstanding shares of all classes of the Capital stock of each Issuer owned by such Grantor.

(b) All the shares of the Pledged Stock have been duly and validly issued and are fully paid and nonassessable.

(c) Such Grantor is the record and beneficial owner of, and has good and marketable title to, the Investment Property pledged by it hereunder, free of any and all Liens or options in favor of, or claims of, any other Person, except the security interest created by this Agreement.

**3.5 Receivables.** (a) No amount payable to such Grantor under or in connection with any Receivable is evidenced by an Instrument or Chattel Paper which has not been delivered to the Security Agent.

(b) None of the obligors on any Receivables is a Governmental Authority.

(c) The amounts represented by such Grantor to the Secured Parties from time to time as owing to such Grantor in respect of the Receivables will at such times be accurate.

**3.6 Contracts.** (a) No consent of any party (other than such Grantor) to any Contract or License is required, or purports to be required, in connection with the execution, delivery and performance of this Agreement.

(b) Each Contract and each License is in full force and effect and constitutes a valid and legally enforceable obligation of the parties thereto (unless such lapse could not reasonably be expected to have a Material Adverse Effect), subject to the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally, equitable principles (whether considered in a proceeding in equity or at law) and an implied covenant of good faith and fair dealing.

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

(d) Neither such Grantor and (to the best of such Grantor's knowledge) all other parties to any such Contract are in default in the performance or observance of any of the terms thereof. The Grantor is not in default in the performance or observance of any of the terms of any License.

(e) The right, title and interest of such Grantor in, to and under the Licenses and Contracts are not subject to any defenses, offsets, counterclaims or claims, nor, insofar as the Grantor is aware, have any of the foregoing been asserted or alleged against such Grantor as to any of the foregoing, except for defenses, offsets, counterclaims or claims that could not reasonably be expected to have a Material Adverse Effect.

(f) Such Grantor has delivered to the Security Agent a complete and correct copy of each material Contract and each material License, including all amendments, supplements and other modifications thereto. Upon the request of the Security Agent, such Grantor shall promptly deliver to the Security Agent a complete and correct copy of each other Contract and License, including all amendments, supplements and other modifications thereto.

(g) No material amount payable to such Grantor under or in connection with any Contract or License is evidenced by any Instrument or Chattel Paper which has not been delivered to the Security Agent.

(h) None of the parties to any Contract is a Governmental Authority.

3.7 Inventory and Equipment. On the date hereof, the Inventory and Equipment (other than mobile goods) are kept at the locations listed on Schedule 5.

3.8 Jurisdiction of Organization: Chief Executive Office. On the date hereof, such Grantor's jurisdiction of organization and the location of such Grantor's chief executive office and chief place of business are as specified on Schedule 4 hereto.

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

3.10 Intellectual Property. (a) Schedule 6 lists all Intellectual Property owned by such Grantor in its own name on the date hereof (except for any unregistered Intellectual Property that is not material to the value of the Intellectual Property of such Grantor).

(b) On the date hereof, all material Intellectual Property is valid, subsisting, unexpired and enforceable, has not been abandoned and does not infringe the intellectual property rights of any other Person, unless such abandonment or infringement could not reasonably be expected to have a Material Adverse Effect.

(c) Except as set forth in Schedule 6, on the date hereof, none of the Intellectual Property is the subject of any licensing or franchise agreement pursuant to which such Grantor is the licensor or franchisor.

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

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

3.11 Vehicles. Schedule 8 is a complete and correct list of all Vehicles owned by the Grantor on the date hereof.

## SECTION 4. COVENANTS

Each Grantor covenants and agrees with the Security Agent and the other Secured Parties that, from and after the date of this Agreement until the Obligations are paid in full and the commitments under the Senior Facilities shall have terminated:

**4.1 Further Documentation: Pledge of Instruments and Chattel Paper.** (a) At any time and from time to time, upon the written request of the Security Agent, and at the sole expense of such Grantor, such Grantor will promptly and duly execute and deliver such further instruments and documents and take such further action as the Security Agent may reasonably request for the purpose of obtaining or preserving the full benefits of this Agreement and of the rights and powers herein granted, including, without limitation, (i) the filing of any financing or continuation statements under the Code (or other similar laws) in effect in any jurisdiction with respect to the security interests created hereby and (ii) in the case of Investment Property, securities accounts and any other relevant Collateral, taking any actions necessary to enable the Security Agent to obtain "control" (within the meaning of any applicable Code) with respect thereto.

(b) If any amounts payable under or in connection with any of the Collateral shall be or become evidenced by any Instrument, Certificated Security or Chattel Paper, such Instrument, Certificated Security or Chattel Paper shall be promptly delivered to the Security Agent, duly indorsed in a manner satisfactory to the Security Agent, to be held as Collateral pursuant to this Agreement.

**4.2 Maintenance of Records.** The Grantor will keep and maintain at its own cost and expense satisfactory and complete records of the Collateral pledged by it hereunder, including, without limitation, a record of all payments received and all credits granted with respect to the Accounts, Contracts and Licenses pledged by it hereunder. Upon the request of the Security Agent, the Grantor will mark its internal books and records pertaining to the Collateral pledged by it hereunder to evidence this Agreement and the security interests granted hereby. For the Security Agent's and the other Secured Parties' further security, the Security Agent, for the benefit of the Secured Parties, shall have a security interest in the Grantor's books and records pertaining to the Collateral pledged by it hereunder, and the Grantor shall make available for review any such books and records to the Security Agent or to its representatives during normal business hours at the reasonable request of the Security Agent. The Grantor shall permit representatives of the Security Agent, upon reasonable notice to the Borrower (but no more frequently than once every two consecutive fiscal quarters unless an Event of Default shall have occurred and be continuing), to visit and inspect any of its properties and examine and make abstracts from any of its books and records at any reasonable time and as often as may reasonably be requested upon reasonable notice.

**4.3 Right of Inspection.** The Security Agent and its advisers or their respective representatives may at any time upon reasonable notice to such Grantor inspect the premises or any Collateral of such Grantor hereunder and examine or require the provision of any records of such Grantor. Each Grantor agrees to do everything in its power to assist any such inspection and provide any such copies and will ensure that its employees and officers do the same. The Security Agent and the other Secured Parties shall keep such information thereby obtained confidential to the extent set forth in the Secured Agreements.

**4.4 Compliance with Laws, etc.** Except to the extent that the Secured Agreements permit otherwise, the Grantor will comply in all respects with all Requirements of Law applicable to the Collateral pledged by it hereunder or any part thereof except where the failure to so comply would not reasonably be expected to have a Material Adverse Effect; provided that the Grantor may contest any Requirement of Law in any reasonable manner which shall not, in the reasonable opinion of the Security

Agent, adversely affect the Security Agent's or any other Secured Party's rights or the priority of their Liens on such Collateral.

4.5 Compliance with Terms of Contracts, etc. Except to the extent that the Secured Agreements permit otherwise, the Grantor (i) will perform and comply in all material respects with all its obligations under the Contracts and (ii) will perform and comply in all respects with all its other Contractual Obligations relating to the Collateral pledged by it hereunder except, in the case of this clause (ii), where the failure to so comply could not reasonably be expected to have a Material Adverse Effect.

4.6 Payment of Obligations. Except to the extent that the Secured Agreements permit otherwise, such Grantor will pay and discharge or otherwise satisfy at or before maturity or before they become diligent, as the case may be, all taxes, assessments and governmental charges or levies imposed upon the Collateral or in respect of income or profits therefrom, as well as all claims of any kind (including, without limitation, claims for labor, materials and supplies) against or with respect to the Collateral, except that no such charge need be paid if (i) the validity thereof is being contested in good faith by appropriate proceedings, (ii) such proceedings could not reasonably be expected to result in the sale, forfeiture or loss of any material portion of the Collateral or any interest therein and (iii) reserves in accordance with GAAP with respect thereto have been provided on the books of such Grantor.

4.7 Maintenance of Insurance. (a) Except to the extent that the Secured Agreements provide otherwise, such Grantor will maintain, with financially sound and reputable companies, insurance policies (i) insuring the Inventory and Equipment and Vehicles against loss by fire, explosion, theft and such other casualties as may be reasonably satisfactory to the Security Agent and (ii) to the extent requested by the Security Agent, insuring such Grantor, the Security Agent and the Secured Parties against liability for personal injury and property damage relating to such Inventory and Equipment and Vehicles, such policies to be in such form and amounts and having such coverage as may be reasonably satisfactory to the Security Agent and the Secured Parties.

(b) Except to the extent that the Secured Agreements provide otherwise, all such insurance shall (i) provide that no cancellation, material reduction in amount or material change in coverage thereof shall be effective until at least 30 days after receipt by the Security Agent of written notice thereof, (ii) name the Security Agent as insured party or loss payee, (iii) if reasonably requested by the Security Agent, include a breach of warranty clause and (iv) be reasonably satisfactory in all other respects to the Security Agent.

(c) Except to the extent that the Secured Agreements provide otherwise, the Borrower shall deliver to the Security Agent and the Secured Parties a report of a reputable insurance broker with respect to such insurance substantially concurrently with each delivery of the Borrower's audited annual financial statements and such supplemental reports with respect thereto as the Security Agent may from time to time reasonably request.

4.8 Limitation on Liens on Collateral. Except to the extent that the Secured Agreements permit otherwise, no Grantor will create, incur or permit to exist, and each Grantor will take all commercially reasonable actions to defend the Collateral pledged by it hereunder against, and will take such other commercially reasonable action as is necessary to remove, any Lien or claim on or to such Collateral, other than the security interests created hereby and Liens permitted by the Secured Agreements, and will take all commercially reasonable actions to defend the right, title and interest of the Security Agent and the other Secured Parties in and to any of such Collateral against the claims and demands of all Persons whomsoever.

4.9 Limitations on Dispositions of Collateral. Except to the extent that the Secured Agreements permit otherwise, no Grantor will sell, transfer, lease or otherwise dispose of any of the

Collateral pledged by it hereunder, or attempt, offer or contract to do so except as permitted by the Secured Agreements.

4.10 Limitations on Modifications, Waivers, Extensions of Contracts. Except to the extent that the Secured Agreements permit otherwise, no Grantor will (i) amend, modify, terminate or waive any provision of any Contract in any manner which could reasonably be expected to materially adversely affect the value of such Contract as Collateral, (ii) fail to exercise promptly and diligently each and every material right which it may have under each Contract (other than any right of termination) or (iii) fail to deliver to the Security Agent upon its reasonable request a copy of each material demand, notice or document received by it relating in any way to any Contract.

4.11 Maintenance of Equipment. Except to the extent that the Secured Agreements permit otherwise, the Grantor will maintain each item of Equipment pledged by it hereunder in good operating condition (except for ordinary wear and tear, immaterial impairments of value to the Collateral, taken as a whole, and damage by the elements) and will provide all maintenance, service and repairs necessary for such purpose.

4.12 Further Identification of Collateral. Such Grantor will furnish to the Security Agent from time to time statements and schedules further identifying and describing the Collateral pledged by it and such other reports in connection with such Collateral as the Security Agent may reasonably request, all in reasonable detail.

4.13 Notices. Such Grantor will advise the Security Agent and the other Secured Parties promptly, in reasonable detail, at their respective addresses set forth in the Secured Agreements, (i) of any Lien (other than security interests created hereby or Liens permitted under the Secured Agreements) on, or claim asserted against, any of the Collateral which adversely would effect the ability of the Security Agent to exercise any of its remedies hereunder; and (ii) of the occurrence of any other event which, in each case, could reasonably be expected to have a Material Adverse Effect on the aggregate value of the Collateral or on the security interests created hereunder.

4.14 Changes in Locations, Name, etc. Such Grantor will not, except upon 15 days' prior written notice to the Security Agent and delivery to the Security Agent of (a) all additional executed financing statements and other documents reasonably requested by the Security Agent to maintain the validity, perfection and priority of the security interests provided for herein and (b) if applicable, a written supplement to Schedule 5 showing any additional location at which Inventory or Equipment shall be kept:

(i) permit any of the Inventory or Equipment to be kept at a location other than those listed on Schedule 5;

(ii) change its jurisdiction of organization or the location of its chief executive office or sole place of business from that referred to in Section 3.8; or

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

4.15 Investment Property (a) If such Grantor shall become entitled to receive or shall receive any certificate (including, without limitation, any certificate representing a dividend or a distribution in connection with any reclassification, increase or reduction of capital or any certificate issued in connection with any reorganization), option or rights in respect of the Capital Stock of any Issuer, whether in addition to, in substitution of, as a conversion of, or in exchange for, any shares of the Pledged Stock, or otherwise in respect thereof, such Grantor shall accept the same as the agent of the

Security Agent and the Secured Parties, hold the same in trust for the Security Agent and the Secured Parties and deliver the same forthwith to the Security Agent in the exact form received, duly indorsed by such Grantor to the Security Agent, if required, together with an undated stock power covering such certificate duly executed in blank by such Grantor and with, if the Security Agent so requests, signature guaranteed, to be held by the Security Agent, subject to the terms hereof, as additional collateral security for the Obligations. Any sums paid upon or in respect of the Investment Property upon the liquidation or dissolution of any Issuer shall be paid over to the Security Agent to be held by it hereunder as additional collateral security for the Obligations, and in case any distribution of capital shall be made on or in respect of the Investment Property or any property shall be distributed upon or with respect to the Investment Property pursuant to the recapitalization or reclassification of the capital of any Issuer or pursuant to the reorganization thereof, the property so distributed shall, unless otherwise subject to a perfected security interest in favor of the Security Agent, be delivered to the Security Agent to be held by it hereunder as additional collateral security for the Obligations. If any sums of money or property so paid or distributed in respect of the Investment Property shall be received by such Grantor, such Grantor shall, until such money or property is paid or delivered to the Security Agent, hold such money or property in trust for the Security Agent and the Secured Parties, segregated from other funds of such Grantor, as additional collateral security for the Obligations.

(b) Without the prior written consent of the Security Agent and except to the extent permitted by the Secured Agreements, such Grantor will not (i) vote to enable, or take any other action to permit, any Issuer to issue any Capital Stock of any nature or to issue any other securities convertible into or granting the right to purchase or exchange for any Capital Stock of any nature of any Issuer, (ii) sell, assign, transfer, exchange, or otherwise dispose of, or grant any option with respect to, the Investment Property or Proceeds thereof (except pursuant to a transaction expressly permitted by the Secured Agreements), (iii) create, incur or permit to exist any Lien or option in favor of, or any claim of any Person with respect to, any of the Investment Property or Proceeds thereof, or any interest therein, except for the security interests created by this Agreement or (iv) enter into any agreement or undertaking restricting the right or ability of such Grantor or the Security Agent to sell, assign or transfer any of the Investment Property or Proceeds thereof.

(c) In the case of each Grantor which is an Issuer, such Issuer agrees that (i) it will be bound by the terms of this Agreement relating to the Investment Property issued by it and will comply with such terms insofar as such terms are applicable to it, (ii) it will notify the Security Agent promptly in writing of the occurrence of any of the events described in Section 4.15(a) with respect to the Investment Property issued by it and (iii) the terms of Section 5.3 shall apply to it mutatis mutandis, with respect to all actions that may be required of it pursuant to Section 5.3 with respect to the Investment Property issued by it.

4.16 Receivables. (a) Other than in the ordinary course of business, such Grantor will not (i) grant any extension of the time of payment of any Receivable, (ii) compromise or settle any Receivable for less than the full amount thereof, (iii) release, wholly or partially, any Person liable for the payment of any Receivable, (iv) allow any credit or discount whatsoever on any Receivable or (v) amend, supplement or modify any Receivable in any manner that could adversely affect the value thereof.

(b) Such Grantor will deliver to the Security Agent a copy of each material demand, notice or document received by it that questions or calls into doubt the validity or enforceability of more than 5% of the aggregate amount of the then outstanding Receivables.

4.17 Intellectual Property. (a) Such Grantor (either itself or through licensees) will (i) continue to use each material Trademark on each and every trademark class of goods applicable to its current line as reflected in its current catalogs, brochures and price lists in order to maintain such Trademark in full force free from any claim of abandonment for non-use, (ii) maintain as in the past the

quality of products and services offered under such Trademark, (iii) use such Trademark with the appropriate notice of registration and all other notices and legends required by applicable Requirements of Law, (iv) not adopt or use any mark which is confusingly similar or a colorable imitation of such Trademark unless the Security Agent, for the benefit of the Secured Parties, shall obtain a perfected security interest in such mark pursuant to this Agreement, and (v) not (and not permit any licensee or sublicensee thereof to) do any act or knowingly omit to do any act whereby such Trademark may become invalidated or impaired in any way unless (except in the case of a knowing act or omission) such invalidation or impairment could not reasonably be expected to have a Material Adverse Effect.

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

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

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

(e) Such Grantor will notify the Security Agent and the Secured Parties immediately if it knows, or has reason to know, that any application or registration relating to any material Intellectual Property may become forfeited, abandoned or dedicated to the public, or of any adverse determination or development (including, without limitation), the institution of, or any such determination or development in, any proceeding in the United States Patent and Trademark Office, the United States Copyright Office or any court or tribunal in any country) regarding such Grantor's ownership of, or the validity of, any material Intellectual Property or such Grantor's right to register the same or to own and maintain the same.

(f) Whenever such Grantor, either by itself or through any agent, employee, licensee or designee, shall file an application for the registration of any Intellectual Property with the United States Patent and Trademark Office, the United States Copyright Office or any similar office or agency in any other country or any political subdivision thereof, such Grantor shall report such filing to the Security Agent within five Business Days after the last day of the fiscal quarter in which such filing occurs. Upon request of the Security Agent, such Grantor shall execute and deliver, and have recorded, any and all agreements, instruments, documents, and papers as the Security Agent may request to evidence the Security Agent and the Secured Parties' security interest in any Copyright, Patent or Trademark and the goodwill and general intangibles of such Grantor relating thereto or represented thereby.

(g) Such Grantor will take all reasonable and necessary steps, including, without limitation, in any proceeding before the United States Patent and Trademark Office, the United States Copyright Office or any similar office or agency in any other country or any political subdivision thereof, to maintain and pursue each application (and to obtain the relevant registration) and to maintain each registration of the material Intellectual Property, including, without limitation, filing of applications of renewal, affidavits of use and affidavits of incontestability.

(h) In the event that any material Intellectual Property is infringed, misappropriated or diluted by a third party, such Grantor shall (i) take such actions as such Grantor shall reasonably deem appropriate under the circumstances to protect such Intellectual Property and (ii) if such Intellectual Property is of material economic value, promptly notify the Security Agent after it learns thereof.

4.18 Vehicles. (a) No Vehicle shall be removed from the state which has issued the certificate of title therefore for a period in excess of four months.

(b) With respect to any Vehicles acquired by such Grantor subsequent to the date hereof, within 30 days after the date of acquisition thereof, all applications for certificate of title indicating the Security Agent's first priority security interest in the Vehicle covered by such certificate, and any other necessary documentation, shall be filed in each office in each jurisdiction which the Security Agent shall deem advisable to perfect its security interests in the Vehicles.

## SECTION 5. REMEDIAL PROVISIONS

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

(b) The Security Agent hereby authorizes each Grantor to collect such Grantor's Receivables, subject to the Security Agent's direction and control, and the Security Agent may curtail or terminate said authority at any time after the occurrence and during the continuance of an Event of Default. If required by the Security Agent at any time after the occurrence and during the continuance of an Event of Default, any payments of Receivables, when collected by any Grantor, (i) shall be forthwith (and, in any event, within two Business Days) deposited by such Grantor in the exact form received, duly indorsed by such Grantor to the Security Agent if required, in a Collateral Account maintained under the sole dominion and control of the Security Agent, subject to withdrawal by the Security Agent for the account of Secured Parties only as provided in Section 5.5, and (ii) until so turned over, shall be held by such Grantor in trust for the Security Agent and the Secured Parties, segregated from other funds of such Grantor. Each such deposit of Proceeds of Receivables shall be accompanied by a report identifying in reasonable detail the nature and source of the payments included in the deposit.

(c) At the Security Agent's reasonable request, each Grantor shall deliver to the Security Agent all original and other documents evidencing, and relating to, the agreements and transactions which gave rise to the Receivables, including, without limitation, all original orders, invoices and shipping receipts.

5.2 Communications with Obligors: Grantors Remain Liable. (a) The Security Agent in its own name or in the name of others may at any time after the occurrence and during the continuance of an Event of Default communicate with obligors under the Receivables and parties to the Contracts to verify with them to the Security Agent's satisfaction the existence, amount and terms of any Receivables or Contracts.

(b) Upon the request of the Security Agent at any time after the occurrence and during the continuance of an Event of Default, each Grantor shall notify obligors on the Receivables and parties to the Contracts that the Receivables and the Contracts have been assigned to the Security Agent for the benefit of the Secured Parties and that payments in respect thereof shall be made directly to the Security Agent.

(c) Anything herein to the contrary notwithstanding, each Grantor shall remain liable under each of the Receivables and Contracts to observe and perform all the conditions and obligations to



be observed and performed by it thereunder, all in accordance with the terms of any agreement giving rise thereto. Neither the Security Agent nor any Secured Party shall have any obligation or liability under any Receivable (or any agreement giving rise thereto) or Contract by reason of or arising out of this Agreement or the receipt by the Security Agent or any Secured Party of any payment relating thereto, nor shall the Security Agent or any Secured Party be obligated in any manner to perform any of the obligations of any Grantor under or pursuant to any Receivable (or any agreement giving rise thereto) or Contract, to make any payment, to make any inquiry as to the nature or the sufficiency of any payment received by it or as to the sufficiency of any performance by any party thereunder, to present or file any claim, to take any action to enforce any performance or to collect the payment of any amounts which may have been assigned to it or to which it may be entitled at any time or times.

**5.3 Pledged Stock.** (a) Unless an Event of Default shall occur and be continuing, and the Security Agent shall give notice to the relevant Grantor of the Security Agent's intent to exercise its corresponding rights pursuant to Section 5.3(b), each Grantor shall be permitted to receive all cash dividends paid in respect of the Pledged Stock, to the extent permitted in the Secured Agreements, and to exercise all voting and corporate or other organizational rights with respect to the Investment Property; provided however, the no vote shall be cast or corporate or other organizational right exercised or other action taken which, in the Security Agent's reasonable judgment, would impair the Collateral or which would be inconsistent with or result in any violation of any provision of the Secured Agreements, or this Agreement.

(b) If an Event of Default shall occur and be continuing and the Security Agent shall give notice of its intent to exercise such rights to the relevant Grantor or Grantors, (i) the Security Agent shall have the right to receive any and all cash dividends, payments or other Proceeds paid in respect of the Investment Property and make application thereof to the Obligations in such order as the Security Agent may determine, and (ii) any or all of the Investment Property shall be registered in the name of the Security Agent or its nominee, and the Security Agent or its nominee may thereafter exercise (x) all voting, corporate and other rights pertaining to such Investment Property at any meeting of shareholders of the relevant Issuer or Issuers or otherwise and (y) any and all rights of conversion, exchange and subscription and any other rights, privileges or options pertaining to such Investment Property as if it were the absolute owner thereof (including, without limitation, the right to exchange at its discretion any and all of the Investment Property upon the merger, consolidation, reorganization, recapitalization or other fundamental change in the corporate or other organizational structure of any Issuer, or upon the exercise by any Grantor or the Security Agent of any right, privilege or option pertaining to such Investment Property, and in connection, therewith, the right to deposit and deliver any and all of the Investment Property with any committee, depository, transfer agent, registrar or other designated agency upon such terms and conditions as the Security Agent may determine), all without liability except to account for property actually received by it, but the Security Agent shall have no duty to any Grantor to exercise any such right, privilege or option and shall not be responsible for any failure to do so or delay in so doing.

(c) Each Grantor hereby authorizes and instructs each Issuer of any Investment Property pledged by such Grantor hereunder to (i) comply with any instruction received by it from the Security Agent in writing the (x) states that an Event of Default has occurred and is continuing and (y) is otherwise in accordance with the terms of this Agreement, without any other or further instructions from such Grantor, and each Grantor agrees that each Issuer shall be fully protected in so complying, and (ii) unless otherwise expressly permitted hereby, pay any dividends or other payments with respect to the Investment Property directly to the Security Agent after the occurrence and during the continuation of an Event of Default.

**5.4 Proceeds to be Turned Over To Security Agent.** In addition to the rights of the Security Agent and the Secured Parties specified in Section 5.1 with respect to payments of Receivables,

if an Event of Default shall occur and be continuing, all Proceeds received by any Grantor consisting of cash, checks and other near-cash items shall be held by such Grantor in trust for the Security Agent and the Secured Party segregated from other funds of such Grantor, and shall, forthwith upon receipt by such Grantor, be turned over to the Security Agent in the exact form received by such Grantor (duly indorsed by such Grantor to the Security Agent, if required). All Proceeds received by the Security Agent hereunder shall be held by the Security Agent in a Collateral Account maintained under its sole dominion and control. All Proceeds while held by the Security Agent in a Collateral Account (or by such Grantor in trust for the Security Agent and the Secured Parties) shall continue to be held as collateral security for all the Obligations and shall not constitute payment thereof until applied as provided in Section 5.5.

**5.5 Application of Proceeds.** At such intervals as may be agreed upon by the Borrower and the Security Agent, or, if an Event of Default shall have occurred and be continuing, at any time at the Security Agent's election, the Security Agent may apply all or any part of Proceeds constituting Collateral, whether or not held in any Collateral Account, in payment of the Obligations in such order as the Security Agent may determine in accordance with the terms set forth in the Intercreditor Deed, and any part of such funds which the Security Agent elects not to apply and deems not required as collateral security for the Obligations shall be paid over from time to time by the Security Agent to the Borrower or to whomsoever may be lawfully entitled to receive the same. Any balance of such Proceeds remaining after the Obligations shall have been paid in full, no Letters of Credit shall be outstanding and all commitments under the Senior Facility Agreement shall have terminated shall be paid over to the Borrower or to whomsoever may be lawfully entitled to receive the same.

**5.6 Code and Other Remedies.** If an Event of Default shall occur and be continuing, the Security Agent, on behalf of the Secured Parties, may exercise, in addition to all other rights and remedies granted to them in this Agreement and in any other instrument or agreement securing, evidencing or relating to the Obligations, all rights and remedies of a secured party under the Code or any other applicable law. Without limiting the generality of the foregoing, the Security Agent, without demand of performance or other demand, presentment, protest, advertisement or notice of any kind (except any notice required by law referred to below) to or upon any Grantor or any other Person (all and each of which demands, defenses, advertisements and notices are hereby waived), may in such circumstances forthwith collect, receive, appropriate and realize upon the Collateral, or any part thereof, and/or may forthwith sell, lease, assign, give option or options to purchase, or otherwise dispose of and deliver the Collateral or any part thereof (or contract to do any of the foregoing), in one or more parcels at public or private sale or sales, at any exchange, broker's board or office of the Security Agent or any Secured Party or elsewhere upon such terms and conditions as it may deem advisable and at such prices as it may deem best, for cash or on credit or for future delivery without assumption of any credit risk. The Security Agent or any Secured Party shall have the right upon any such public sale or sales, and, to the extent permitted by law, upon any such private sale or sales, to purchase the whole or any part of the Collateral so sold, free of any right or equity of redemption in any Grantor, which right or equity is hereby waived and released. Each Grantor further agrees, at the Security Agent's request, to assemble the Collateral and make it available to the Security Agent at places which the Security Agent shall reasonably select, whether at such Grantor's premises or elsewhere. The Security Agent shall apply the net proceeds of any action taken by it pursuant to this Section 5.6, after deducting all reasonable costs and expenses of every kind incurred in connection therewith or incidental to the care or safekeeping of any of the Collateral or in any way relating to the Collateral or the rights of the Security Agent and the Secured Parties hereunder, including, without limitation, reasonable attorneys' fees and disbursements, to the payment in whole or in part of the Obligations, in such order as the Security Agent may determine in accordance with the terms set forth in the Intercreditor Deed, and only after such application and after the payment by the Security Agent of any other amount required by any provision of law, including, without limitation, Section 9-5604(1)(c) of the Code, need the Security Agent account for the surplus, if any, to any Grantor. To the extent permitted by applicable law, each Grantor waives all claims, damages and demands it may acquire against the Security Agent or any Secured Party arising out of the exercise by them of any rights

hereunder. If any notice of a proposed sale or other disposition of Collateral shall be required by law, such notice shall be deemed reasonable and proper if given at least 10 days before such sale or other disposition.

**5.7 Waiver: Deficiency.** Each Grantor waives and agrees not to assert any rights or privileges which it may acquire under Section 9-12 of the Code. Each Grantor shall remain liable for any deficiency if the proceeds of any sale or other disposition of the Collateral are insufficient to pay its Obligations and the fees and disbursements of any attorneys employed by the Security Agent or any Secured Parties to collect such deficiency.

## SECTION 6. THE SECURITY AGENT

**6.1 Security Agent's Appointment as Attorney-in-Fact.** (a) Powers. (i) Each Grantor hereby irrevocably constitutes and appoints the Security Agent and any officer or agent thereof, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of such Grantor and in the name of such Grantor or in its own name, for the purpose of carrying out the terms of this Agreement, to take any and all appropriate action and to execute any and all documents and instruments which may be necessary or desirable to accomplish the purposes of this Agreement, and, without limiting the generality of the foregoing, such Grantor hereby gives the Security Agent the power and right, on behalf of such Grantor, without notice to or assent by such Grantor, to do the following (except to the extent that the Intercreditor Deed provides otherwise):

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

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

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

(D) (1) to direct any party liable for any payment under any of the Collateral to make payment of any and all moneys due or to become due thereunder directly to the Security Agent or as the Security Agent shall direct; (2) to ask or demand for, collect, receive payment of and receipt for, any and all moneys, claims and other amounts due or to become due at any time in respect of or arising out of any Collateral; (3) to sign and indorse any invoices, freight or express bills, bills of lading, storage or warehouse receipts, drafts against debtors, assignments, verifications, notices and other documents in connection with any of the Collateral; (4) to commence and prosecute any suits, actions or proceedings at law or in equity in any court of competent jurisdiction to collect the Collateral or any thereof and to enforce any other right in respect of any Collateral; (5) to defend any suit, action or proceeding brought against such Grantor with respect to any Collateral; (6) to settle, compromise or adjust any suit, action or proceeding described in clause (7) above and, in connection therewith, to give such discharges or

releases as the Security Agent may deem appropriate; (8) to assign any Copyright, Patent or Trademark (along with the goodwill of the business to which any such Copyright, Patent or Trademark pertains), throughout the world for such term or terms, on such conditions, and in such manner, as the Security Agent shall in its sole discretion determine; and (9) generally, to sell, transfer, pledge and make any agreement with respect to or otherwise deal with any of the Collateral as fully and completely as though the Security Agent were the absolute owner thereof for all purposes, and to do, at the Security Agent's option and such Grantor's expense, at any time, or from time to time, all acts and things which the Security Agent reasonably deems necessary to protect, preserve or realize upon the Collateral and the Security Agent's and the other Secured Parties' Liens thereon and to effect the intent of this Agreement, all as fully and effectively as such Grantor might do; and

(E) execute in connection with any sale provided for in Section 5.6 or 5.7, any endorsements, assignments or other instruments of conveyance or transfer with respect to the Collateral.

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

Anything in this Section 6.1(a) to the contrary notwithstanding, the Security Agent agrees that it will not exercise any rights under the power of attorney provided for in this Section 6(a) unless an Event of Default shall have occurred and be continuing.

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

(c) The expenses of the Security Agent incurred in connection with actions undertaken as provided in this Section 6.1, together with interest thereon at a rate per annum equal to the highest rate per annum at which interest would then be payable on any category of past due extensions of credit under the Secured Agreements, from the date of payment by the Security Agent to the date reimbursed by the relevant Grantor, shall be payable by such Grantor to the Security Agent on demand.

**6.2 Execution of Financing Statements.** Pursuant to Section 9-402 of the Code, each Grantor authorizes the Security Agent to file financing statements with respect to the Collateral without the signature of such Grantor in such form and in such filing offices as the Security Agent reasonably determines appropriate to perfect the security interests of the Security Agent under this Agreement. The Security Agent hereby agrees to deliver reasonably promptly thereafter copies of such financing statements to each Grantor. A carbon, photographic or other reproduction of this Agreement shall be sufficient as a financing statement for filing or recordation in any jurisdiction.

**6.3 Duty of Security Agent.** The Security Agent's sole duty with respect to the custody, safekeeping and physical preservation of the Collateral in its possession, under Section 9-207 of the Code or otherwise, shall be to deal with it in the same manner as the Security Agent deals with similar property for its own account. Neither the Security Agent, any Secured Party nor any of their respective officers, directors, employees or agents shall be liable for failure to demand, collect or realize upon any of the Collateral or for any delay in doing so or shall be under any obligation to sell or otherwise dispose of any Collateral upon the request of any Grantor or

any other Person or to take any other action whatsoever with regard to the Collateral or any part thereof. The powers conferred on the Security Agent and the Secured Parties hereunder are solely to protect the Security Agent's and the Secured Parties' interests in the Collateral and shall not impose any duty upon the Security Agent or any Secured Party to exercise any such powers. The Security Agent and the Secured Parties shall be accountable only for amounts that they actually receive as a result of the exercise of such powers, and neither they nor any of their officers, directors, employees or agents shall be responsible to any Grantor for any act or failure to act hereunder, except for their own gross negligence or willful misconduct.

6.4 Authority of Security Agent. Each Grantor acknowledges that the rights and responsibilities of the Security Agent under this Agreement with respect to any action taken by the Security Agent or the exercise or non-exercise by the Security Agent of any option, voting right, request, judgment or other right or remedy provided for herein or resulting or arising out of this Agreement shall, as between the Security Agent and the Secured Parties, be governed by the Secured Agreements, the Intercreditor Deed and by such other agreements with respect thereto as may exist from time to time among them, but, as between the Security Agent and the Grantors, the Security Agent shall be conclusively presumed to be acting as agent for the Secured Parties with full and valid authority so to act or refrain from acting, and no Grantor shall be under any obligation, or entitlement, to make any inquiry respecting such authority.

## SECTION 7. MISCELLANEOUS

7.1 Amendments in Writing. None of the terms or provisions of this Agreement may be waived, amended, supplemented or otherwise modified except in accordance with Section 36 of the Senior Facility Agreement, Section 34 of the Subscription Agreement and Section 12 of the Intercreditor Deed.

7.2 Enforcement Expenses; Indemnification (a) Each Grantor agrees to pay, and to save the Security Agent and the Secured Parties harmless from, any and all liabilities with respect to, or resulting from any delay in paying, any and all stamp excise, sales or other taxes which may be payable or determined to be payable with respect to any of the Collateral or in connection with any of the transactions contemplated by this Agreement.

(b) Each Guarantor agrees to pay, and to save the Security Agent and the Secured Parties harmless from, any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever with respect to the execution, delivery, enforcement, performance and administration of this Agreement to the extent the Borrower would be required to do so pursuant to the Secured Agreements.

(c) The agreements in this Section 7.2 shall survive repayment of the Obligations and all other amounts payable under the Secured Agreements.

7.3 Powers Coupled with an Interest. All authorizations and agencies herein contained with respect to the Collateral are irrevocable and powers coupled with an interest.

7.4 Severability. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

**7.5 Section Headings.** The section headings used in this Agreement are for convenience of reference only and are not to affect the construction hereof or be taken into consideration in the interpretation hereof.

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

**7.7 Integration.** This Agreement, the Intercreditor Deed, and the other Secured Agreements represent the entire agreement of the Grantors the Security Agent and the Secured Parties with respect to the subject matter hereof and there are no promises, undertakings, representations or warranties by the Security Agent or any other Secured Party relative to the subject matter hereof not reflected herein or in the other Secured Agreements.

**7.8 Governing Law.** THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

**7.9 Submission To Jurisdiction; Waivers.** Each Grantor hereby irrevocably and unconditionally:

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

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

(c) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to such Grantor at its address set forth on Schedule 1 hereto;

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

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

**7.10 Notices.** All notices, requests and demands to or upon the Grantor or the Security Agent or any other Secured Party to be effective shall be in writing and unless otherwise expressly provided herein, shall be deemed to have been duly given or made when delivered by hand, or, in the case of mail, three days after deposit in the postal system, first class postage prepaid, or, in the case of telecopy notice, when sent, or, in the case of telex notice, when sent, answerback received, addressed to a party at the address provided for such party (including any addresses for copies) on Schedule 1 to this Agreement.

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

**7.12 Counterparts.** This Agreement may be executed by one or more of the parties hereto on any number of separate counterparts and all said counterparts taken together shall be deemed to constitute one and the same instrument.

**7.13 Authority of Security Agent.** The Grantor acknowledges that the rights and responsibilities of the Security Agent under this Agreement with respect to any action taken by the Security Agent or the exercise or non-exercise by the Security Agent of any option, right, request, judgment or other right or remedy provided for herein or resulting or arising out of this Agreement shall, as between the Security Agent and the other Secured Parties, be governed by the Secured Agreements, the Intercreditor Deed and by such other agreements with respect thereto as may exist from time to time among them, but, as between the Security Agent and the Grantor, the Security Agent shall be conclusively presumed to be acting as agent for the Secured Parties with full and valid authority so to act or refrain from acting, and the Grantor shall not be under any obligation, or entitlement, to make any inquiry respecting such authority.

**7.14 Additional Grantors.** Each Subsidiary of the Borrower that is required to become a party to this Agreement pursuant to the terms of the Secured Documents shall become a Grantor for all purposes of this Agreement upon execution and delivery by such Subsidiary of an Assumption Agreement in the form of Annex 1 hereto.

**7.15 Acknowledgements.** Each Grantor hereby acknowledges that:

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

(b) neither the Security Agent nor any Secured Party has any fiduciary relationship with or duty to any Grantor arising out of or in connection with this Agreement or any of the other Secured Agreements, and the relationship between the Grantors, on the one hand, and the Security Agent and Secured Parties, on the other hand, in connection herewith or therewith is solely that of debtor and creditor; and

(c) no joint venture is created hereby or by the other Secured Agreements or otherwise exists by virtue of the transactions contemplated hereby among the Secured Parties or among the Grantors and the Secured Parties.

**7.16 Release.** (a) At such time as all Obligations (other than Obligations in respect of Hedge Agreements) shall have been paid in full, the commitments under the Senior Facility Agreement have been terminated and no Letters of Credit shall be outstanding, the Collateral shall be released from the Liens created hereby, and this Agreement and all obligations (other than those expressly stated to survive such termination) of the Security Agent and each Grantor hereunder shall terminate, all without delivery of any instrument or performance of any act by any party, and all rights to the Collateral shall revert to the Grantors. At the request and sole expense of any Grantor following any such termination, the Security Agent shall deliver to such Grantor any Collateral held by the Security Agent hereunder, and execute and deliver to such Grantor such documents as such Grantor shall reasonably request to evidence such termination.

(b) If any of the Collateral shall be sold, transferred or otherwise disposed of by any Grantor in a transaction permitted by the Secured Agreements, the Lien thereon (but not the proceeds thereof) shall be deemed to be released automatically without the need for any further act by any Person, and then the Security Agent, at the request and sole expense of such Grantor, shall execute and deliver to such Grantor all releases or other documents reasonably necessary or desirable to evidence the release of the Liens created hereby on such Collateral. At the request and sole expense of the Borrower, a Grantor shall be released from its obligations hereunder in the event that all the Capital Stock of such Grantor shall be sold, transferred or otherwise disposed of in a transaction permitted by the Secured Agreements, provided that the borrower shall have delivered to the Security Agent, at least ten Business Days prior to the date of the proposed release, a written request identifying the relevant Grantor and the terms of the sale or other disposition in reasonable detail, including the price thereof and any expenses in connection therewith, together with a certification by the Borrower stating that such transaction is in compliance with the Secured Agreements.

**7.17 WAIVER OF JURY TRIAL. EACH GRANTOR HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER SECURED AGREEMENT AND FOR ANY COUNTERCLAIM THEREIN.**



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

DREAMSHEETS INVESTMENTS PTY LIMITED

By: 

Name: JOSEPH SKRZYNSKI  
Title: DIRECTOR

DREAMSHEETS U.S., INC.

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

Name:

Title:

UBS NOMINEES PTY LIMITED

By: 

Name: JAMES DUNSTON

Title: Attorney signing  
under power of attorney

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

DREAMSHEETS INVESTMENTS PTY LIMITED

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

DREAMSHEETS U.S. INC.

By: \_\_\_\_\_  
Name: Howard Weiss  
Title: President and Treasurer

UBS NOMINEES PTY LIMITED

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

NOTICE ADDRESSES

Grantors

Dreamsheets Investments Pty Limited  
Level 2, The Terrace  
155 George Street  
Sydney NSW 2000

Dreamsheets U.S., Inc.  
Level 2, The Terrace  
155 George Street  
Sydney NSW 2000

Security Agent

UBS Nominees Pty Limited  
Level 25, Governor Phillip Tower  
1 Farrer Place  
Sydney NSW 2000

DESCRIPTION OF INVESTMENT PROPERTY

**Pledged Stock:**

<u>Issuer</u>	<u>Class of Stock</u>	<u>Stock Certificate No.</u>	<u>Number of Shares</u>
Dreamsheets U.S., Inc.	Common	2	100
Dreamsheets U.S., Inc.	Common	3	100
Dreamtowels U.K. Limited	Ordinary	2	100
Dreamtowels N.Z. Limited	Ordinary	—	1
Dreamtowels Australia Pty Limited	Ordinary	2	2

FILINGS REQUIRED TO PERFECT SECURITY INTERESTS

Uniform Commercial Code Filings

<u>Name of Grantor</u>	<u>Jurisdiction</u>
Dreamsheets, U.S., Inc.	State of Arizona
Dreamsheets, U.S., Inc.	State of California
Dreamsheets, U.S., Inc.	State of Delaware
Dreamsheets, U.S., Inc.	State of Florida
Dreamsheets, U.S., Inc.	Fulton County, Georgia
Dreamsheets, U.S., Inc.	State of Illinois
Dreamsheets, U.S., Inc.	State of Minnesota
Dreamsheets, U.S., Inc.	State of Nevada
Dreamsheets, U.S., Inc.	State of New Jersey
Dreamsheets, U.S., Inc.	State of New York New York County Orange County, New York
Dreamsheets, U.S., Inc.	State of North Carolina Stanly County Union County
Dreamsheets, U.S., Inc.	State of Pennsylvania Montgomery Prothonotary
Dreamsheets, U.S., Inc.	State of Rhode Island
Dreamsheets, U.S., Inc.	State of South Carolina
Dreamsheets, U.S., Inc.	State of Texas
Dreamsheets, U.S., Inc.	State of Virginia Fairfax County
Dreamsheets, U.S., Inc.	State of Washington

Patent and Trademark Filings

Filings with the United States Patent and Trademark Office as to certain of the intellectual property specified in Schedule 6 to the Collateral Agreement.

094681-0005-08155-NY02.2015268.9

TRADEMARK  
REEL: 002239 FRAME: 0208

LOCATION OF JURISDICTION OF ORGANIZATION AND CHIEF EXECUTIVE OFFICE

<u>Grantor</u>	<u>Jurisdiction of Organization</u>	<u>Location of Chief Executive Office.</u>
Dreamsheets U.S., Inc.	Delaware	Level 2, The Terrance 155 George Street Sydney NSW 2000  <b>Registered Office (U.S.):</b> c/o The Corporation Trust Company 1209 Orange Street Wilmington, Delaware
Dreamsheets Investment Pty Limited	Australian Capital Territory	Level 2, The Terrance 155 George Street Sydney NSW 2000

LOCATIONS OF INVENTORY AND EQUIPMENT

<u>Grantor</u>	<u>Locations</u>
Dreamsheets U.S., Inc.	<u>Arizona</u> Dillards Phoenix 9809 Metro Pkwy, West Phoenix, Arizona
Dreamsheets U.S., Inc.	<u>Arizona</u> Dillards Scottsdale 7014 E Camelback Road Scottsdale, Arizona 85251
Dreamsheets U.S., Inc.	<u>California</u> Gottschalks 1855 41 <sup>st</sup> Ave Capitola, California
Dreamsheets U.S., Inc.	<u>California</u> Strouds Strouds Linen Warehouse 700 El Camino Real Menlo Park, California 94025
Dreamsheets U.S., Inc.	<u>California</u> Macy's Union Square Sheridan Shop 170, O'Farrell San Francisco, California 94102
Dreamsheets U.S., Inc.	<u>California</u> Macy's Hillsdale 115, Hillsdale Mall San Mateo, California 94403
Dreamsheets U.S., Inc.	<u>California</u> Macy's Valley Fair 2801, Stover Creek Blvd Santa Clara, California
Dreamsheets U.S., Inc.	<u>California</u> Macy's Stanford 200, Stanford Shopping Center Palo Alto, California
Dreamsheets U.S., Inc.	<u>California</u>



Macy's Concord  
341, Sun Valley Mall  
Concord, California

Dreamsheets U.S., Inc.

California  
Macy's Monterey  
100, Del Monte Center  
Monterey, California 93940

Dreamsheets U.S., Inc.

California  
Macy's Birdcage  
5817 Sunrise Blvd  
Citrus Heights, California 95610

Dreamsheets U.S., Inc.

California  
Macy's Pleasanton  
1300 Stoneridge Mall  
Pleasanton, California 94588

Dreamsheets U.S., Inc.

California  
Macy's Fresno  
4888 N., Fresno St  
Fresno, California

Dreamsheets U.S., Inc.

California  
Macy's San Rafael  
4<sup>th</sup> and Court St  
San Rafael, California 94901

Dreamsheets U.S., Inc.

California  
Bullocks Pasadena  
401 S. Lake Ave  
Pasadena, California

Dreamsheets U.S., Inc.

California  
Bullocks Westwood  
Sheridan Shop  
10881 Weyburn Ave  
Los Angeles, California 90024

Dreamsheets U.S., Inc.

California  
Bullocks Santa Ana  
Main Street Mall  
2850 N. Main Street  
Santa Ana, California

Dreamsheets U.S., Inc.

California  
Bullocks Del Amo  
Sheridan Domestic  
21800 Hawthorne Blvd  
Torrance, California 90503

Dreamsheets U.S., Inc.

California  
Bullocks South Coast  
Sheridan Shop 3333 Bristol Ave  
Costa Mesa, California 92526

Dreamsheets U.S., Inc.

California  
Bullocks Mission Valley  
1555 Camino De La Reina  
San Diego, California

Dreamsheets U.S., Inc.

California  
Bullocks Beverly Center  
Sheridan Domestic  
8500 Beverly Blvd  
Los Angeles, California 90048

Dreamsheets U.S., Inc.

California  
Bullocks Sherman Oaks  
Sheridan Domestic  
14000 Riverside Drive  
Sherman Oaks, California 91423

Dreamsheets U.S., Inc.

California  
Bullocks Palm Desert  
72800 Highway 111  
Palm Desert, California 95610

Dreamsheets U.S., Inc.

California  
Bullocks Woodland Hills  
Woodland Hills & Promenade  
6100 Topanga Canyon Blvd  
Woodland Hills, California

Dreamsheets U.S., Inc.

California  
Bullocks Burbank  
200 Cypress  
Burbank, California

Dreamsheets U.S., Inc.

California  
Shargard Storage  
1120 Stewart Ct., Unit 3024  
Sunnyvale, California 94086

Dreamsheets U.S., Inc.

Florida  
Burdines Dadeland  
7303 Dadeland Mall  
Miami, Florida

Dreamsheets U.S., Inc.

Florida  
Burdines Boca Raton

Town Center Mall  
Butts & Glades Roads  
Boca Raton, Florida

Dreamsheets U.S., Inc.

Florida  
Burdines PGA  
3101 PGA Blvd.  
North Palm Beach, Florida 33418

Dreamsheets U.S., Inc.

Florida  
Burdines Ft. Meyers  
4125 Cleveland Avenue.  
Ft. Meyers, Florida 33901

Dreamsheets U.S., Inc.

Florida  
Macy's Miami  
Sheridan Shop  
19535 Biscayne Blvd  
N. Miami Beach, Florida 33180

Dreamsheets U.S., Inc.

Florida  
Macy's Fashion Mall  
333 N. University Drive  
Plantation, Florida

Dreamsheets U.S., Inc.

Florida  
Macy's West Palm Beach  
3101, PGA Blvd  
Palm Beach Gardens, Florida 33410

Dreamsheets U.S., Inc.

Florida  
Miromar Outlet  
10801 Corkscrew Road  
Estero, Florida 33928

Dreamsheets U.S., Inc.

Georgia  
Macy's Lenox  
Sheridan Domestic  
3393 Peachtree Rd, NE  
Atlanta, Georgia 30326

Dreamsheets U.S., Inc.

Illinois  
Marshall Fields  
111 N. State St  
Chicago, Illinois

Dreamsheets U.S., Inc.

Illinois  
Windhaven International  
3317 South Route 31  
Crystal Lake, Illinois 60012

Dreamsheets U.S., Inc.

Minnesota  
Macy's Minneapolis  
Mall of America  
400 S.W. Court  
Bloomington, Minnesota

Dreamsheets U.S., Inc.

Nevada  
Macy's Reno  
6100 Meadowland Mall Ctr  
Reno, Nevada

Dreamsheets U.S., Inc.

Nevada  
Bullocks Las Vegas  
4450 W. Spring Mountain Rd  
Las Vegas, Nevada

Dreamsheets U.S., Inc.

New Jersey  
Macy's Monmouth  
Routes 35 & 36  
Eatontown, New Jersey 07724

Dreamsheets U.S., Inc.

New Jersey  
Macy's Paramus  
Garden State Plaza,  
Paramus, New Jersey

Dreamsheets U.S., Inc.

New Jersey  
Macy's Willowbrook  
Sheridan Shop  
100, Route 46  
Wayne, New Jersey 07470

Dreamsheets U.S., Inc.

New Jersey  
Macy's Bridgewater  
400 Commons Way  
Bridgewater, New Jersey

Dreamsheets U.S., Inc.

New Jersey  
Metropolitan Studies  
430 Communipaw Ave  
Jersey City, New Jersey 07304

Dreamsheets U.S., Inc.

New York  
Macy's Herald Square  
Sheridan Shop  
151 W. 34<sup>th</sup> St, 6<sup>th</sup> floor  
New York, New York 10001

Dreamsheets U.S., Inc.

New York  
NY Showroom  
295 Fifth Avenue, Suite 1218

New York, New York 10016

Dreamsheets U.S., Inc.

New York  
Bloomingdales  
59<sup>th</sup> Street  
New York, New York

Dreamsheets U.S., Inc.

New York  
Woodbury Commons  
960 Grapevine Court  
Central Valley, New York 10917

Dreamsheets U.S., Inc.

North Carolina  
American Lockstitch  
125 Ivey Street  
Norwood, North Carolina 28128

Dreamsheets U.S., Inc.

North Carolina  
Ferncrest Fashions, Inc.  
4813 Starcrest Drive  
Monroe, North Carolina 28110

Dreamsheets U.S., Inc.

Pennsylvania  
Macy's King of Prussia  
Sheridan Shop  
580 West Delcalb Pike  
King of Prussia, Pennsylvania 19406

Dreamsheets U.S., Inc.

Rhode Island  
Colonial Mills  
560 Mineral Springs Ave  
PO Box 249  
Pawtucket, Rhode Island 02862-0249

Dreamsheets U.S., Inc.

South Carolina  
Seamless Sensations  
759 J.A. Cochran Bypass  
Chester, South Carolina 29706

Dreamsheets U.S., Inc.

South Carolina  
ESP Embroidered  
Saco Lowell Road  
Easley, South Carolina 29642

Dreamsheets U.S., Inc.

South Carolina  
Sheridan Australia/Warehouse/Greenville Outlet  
250 Feaster Road  
Greenville, South Carolina 29615

Dreamsheets U.S., Inc.

South Carolina  
Morningstar Mini Storage

290 Rocky Creek Road  
Greenville, South Carolina 29607

Dreamsheets U.S., Inc.

South Carolina  
RST&B  
325 Greer Road  
Florence, South Carolina 26506

369 Allen Street  
Woodruff, South Carolina 29388

Dreamsheets U.S., Inc.

Texas  
Dillards El Paso  
8401 Gateway West  
El Paso, Texas

Dreamsheets U.S., Inc.

Texas  
Macy's Dallas  
Sheridan Domestics  
13375 Noel Rd  
Dallas, Texas 78240

Dreamsheets U.S., Inc.

Texas  
Macy's Houston Galleria  
2727 Sage Road  
Houston, Texas

Dreamsheets U.S., Inc.

Virginia  
Macy's - Springfield  
6400, Springfield Mall  
Springfield, Virginia 22150

Dreamsheets U.S., Inc.

Washington  
Bon Marche - Seattle  
3<sup>rd</sup> & Pine  
Seattle, Washington

Dreamsheets U.S., Inc.

Washington  
Bon Marche - Bellevue  
400 Bellevue Square  
Bellevue, Washington

**COPYRIGHTS AND COPYRIGHT LICENSES**

None

**PATENTS AND PATENT LICENSES**

None

**TRADEMARKS AND TRADEMARK LICENSES**

**Brand Names**

Actil Kids  
Actil Casual Covers  
Sheridan Elite  
Sheridan Essentials  
Sheridan Signature  
Sheridan Supa Size

**Business Names**

<b>Name</b>	<b>Registration Number</b>	<b>Registered In</b>
Sheridan Australia	NSW T6110919	New South Wales
Sheridan Australia	VIC 1290571J	Victoria
Sheridan Australia	TAS 168439B	Tasmania
Sheridan Australia	WA D186278G	Western Australia
Sheridan Australia	SA 04682S2M	Southern Australia
Sheridan Australia	NT 64089B	Northern Territories
Sheridan Australia	ACT f00096106	Australia Capital Territory
Sheridan Australia Factory Outlets	NSW BN83425116	New South Wales
Sheridan	NT 64088B	Northern Territory
Sheridan	VIC 1290S72L	Victoria
Sheridan	QLD BN194837	Queensland
Sheridan	SA 04082S3J	South Australia
Sheridan	TAS 108437B	Tasmania
Sheridan	F0009S879	ACT

Trademarks - Australia

Mark	number	class(es)	Status	appl'n / reg'n date	deadline
Device	89282	23	REG'D	18/11/1946	18/11/2002
Device	89283	24	REG'D	18/11/1946	18/11/2002
Lavender	90027	24	REG'D	22/01/1947	22/01/2003
Device	100258	24	REG'D	04/10/1949	04/10/2005
Device	166424	25	REG'D	18/11/1960	18/11/2002
Device	185418	22	REG'D	04/10/1949	04/10/2005
Aurora	211372	24	REG'D	03/07/1967	03/07/2002
actll first line	214509	24	REG'D	27/10/1967	27/10/2002
Actll	220244	24	REG'D	01/07/1968	01/07/2003
Actll	220246	26	REG'D	01/07/1968	01/07/2003
Actll	220247	27	REG'D	01/07/1968	01/07/2003
Saraband	251014	24	REG'D	18/08/1971	18/08/2006
Accent	282248	24	REG'D	07/10/1974	07/10/2009
Actll	301705	20	REG'D	29/10/1976	29/10/2007
Sheridan	333031	24	REG'D	18/05/1979	18/05/2010
Supercalc	348846	24	REG'D	23/07/1980	23/07/2001
sheridan luxury percale	348848	24	REG'D	23/07/1980	23/07/2001
Extracalc	348849	24	REG'D	23/07/1980	23/07/2001
Cottoncalc	348850	24	REG'D	23/07/1980	23/07/2001
Device	357235	25	REG'D	03/03/1981	03/03/2002
Device	357236	24	REG'D	03/03/1981	03/03/2002
Device	357237	23	REG'D	03/03/1981	03/03/2002
marc batiste	371216	24	REG'D	03/03/1981	03/03/2002
southern cross	394697	25	REG'D	05/02/1982	05/02/2003
southern cross	394698	24	REG'D	26/07/1983	26/07/2004
southern cross	394699	24	REG'D	26/07/1983	26/07/2004
Sheridan	482218	23	REG'D	26/07/1983	26/07/2004
Sheridan	482219	27	REG'D	25/02/1988	25/02/2009
Sheridan	482220	25	REG'D	25/02/1988	25/02/2009
street beat	583646	24	REG'D	25/02/1988	25/02/2009
Carrington	602960	24	REG'D	04/08/1992	04/08/2009
studio sheridan	605530	24	REG'D	21/05/1993	21/05/2010
Moto	618627	24	REG'D	25/06/1993	25/06/2010
c.s. brooks	709371	24, 27	REG'D - Renewal Due	15/12/1993	15/12/2000
Comtex	748874	24	REG'D	24/05/1996	24/05/2006
Actll	753934	21	REG'D	17/11/1997	17/11/2007
				30/01/1998	30/01/2008

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**Trademarks - International**

Country	trade mark	owner	class	number	status	deadline
New Zealand	Superscale	Textile Industries Australia Limited	24	149725	Registered	10/11/2004
New Zealand	Actil	CS Brooks Canada Incorporated	24	44248	Registered	07/01/2010
New Zealand	Sheridan	CS Brooks Canada Incorporated	24	134241	Registered	15/09/2001
New Zealand	actil LOGO	CS Brooks Canada Incorporated	23	136540	Registered	25/11/2003
New Zealand	actil LOGO	CS Brooks Canada Incorporated	24	136541	Registered	25/11/2003
New Zealand	actil LOGO	CS Brooks Canada Incorporated	25	136542	Registered	25/11/2003
New Zealand	cs brooks LOGO	CS Brooks Canada Incorporated	24	262785	Registered	28/05/2003
New Zealand	Comtex	CS Brooks Canada Incorporated	24	290438	Registered	17/11/2004
United Kingdom	actil LOGO	C.S. Brooks Canada, Inc	23	1,188,530	Registered	12/01/2004
United Kingdom	Actil	C.S. Brooks Canada, Inc	24	725,268	Registered	29/12/2002
United Kingdom	actil LOGO	C.S. Brooks Canada, Inc	24	1,188,531	Registered	12/01/2004
United Kingdom	carrington LOGO	C.S. Brooks Canada, Inc	24	B1,303,602	Registered	11/03/2008
United Kingdom	Sheridan	C.S. Brooks Canada, Inc	24	B1,341,443	Registered	14/04/2005
United Kingdom	actil LOGO	C.S. Brooks Canada, Inc	25	1,188,532	Registered	12/01/2004
Canada	Ayercrest	C.S. Brooks Canada, Inc	24	618273	Registered	17/11/2004
Canada	collection internationale	C.S. Brooks Canada, Inc	24	563179	Registered	10/06/2003
Canada	cotton club	C.S. Brooks Canada, Inc	24	617504	Registered	27/10/2004
Canada	cotton comfort	C.S. Brooks Canada, Inc	24	592626	Registered	11/01/2006
Canada	cotton comfort	C.S. Brooks Canada, Inc	24	659555	Registered	26/02/2008

Country	trade mark	owner	class	number	status	deadline
Canada	Eminence	C.S. Brooks Canada, Inc	24	659554	Registered	20/11/2007
Canada	Junior	C.S. Brooks Canada, Inc	24	569924	Registered	14/08/2002
Canada	Kingcot	C.S. Brooks Canada, Inc	24	50740	Registered	30/11/1999 (not renewed)
Canada	Polar	C.S. Brooks Canada, Inc	24	339216	Registered	14/01/2002
Canada	Profile	C.S. Brooks Canada, Inc	24	618377	Registered	22/04/2009
Canada	Summit	C.S. Brooks Canada, Inc	24	672987	Registered	23/08/2000
Canada	Trousseau	C.S. Brooks Canada, Inc	24	318710	Registered	06/03/2007
Canada	Sheridan	C.S. Brooks Canada, Inc	24	470324	Registered	14/11/2014
South Africa	Actil	C.S. Brooks Canada, Inc	24	1951/00093/1	Registered	13/01/2005
South Africa	Actil	C.S. Brooks Canada, Inc	25	1951/00039/2	Registered	13/01/2005
South Africa	Actil	C.S. Brooks Canada, Inc	23	1981/01900	Registered	25/03/2001
South Africa	actil LOGO	C.S. Brooks Canada, Inc	24	1981/01901	Registered	25/03/2001
South Africa	actil LOGO	C.S. Brooks Canada, Inc	25	1981/01902	Registered	25/03/2001
Hong Kong	actil	C.S. Brooks Canada, Inc	24	0036 of 1951	Registered	12/09/2006
Hong Kong	actil	C.S. Brooks Canada, Inc	24	0037 of 1951	Registered	12/09/2006
Hong Kong	sheridan	C.S. Brooks Canada, Inc	24	B0433 of 1976	Registered	06/11/2008
Hong Kong	sheridan	C.S. Brooks Canada, Inc	24	00881 of 1996	Registered	29/02/2012
Hong Kong	actil	C.S. Brooks Canada, Inc	24	0416 of 1984	Registered	08/07/2004
Hong Kong	carrington	C.S. Brooks Canada, Inc	24	B1235 of 1989	Registered	09/03/2008
Hong Kong	contempo	C.S. Brooks, Inc	24	02857 of 2000	Registered	31/03/2006
Hong Kong	supercalc	Textile Industries Australia Limited	24	0715 of 1986	Registered	09/11/2004
Hong Kong	street beat	Textile Industries Australia Limited	24	07316 of 1994	Registered	04/08/2000 (not renewed)

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Country	trade mark	owner	class	number	status	deadline
Korea	sheridan	Textile Industries Australia Limited	24	104623	Registered	06/09/2004
Korea	sheridan	Textile Industries Australia Limited	24	106943	Registered	09/11/2004
Greece	sheridan	C.S. Brooks Canada, Inc	24	103.513	Registered	03/04/2001
Greece	actil	C.S. Brooks Canada, Inc	24	70.504	Registered	01/12/2001
Sweden	actil	C.S. Brooks, Inc	24	330415	Registered	26/02/2009
Sweden	actil LOGO	C.S. Brooks, Inc	24	331186	Registered	07/05/2009
Finland	sheridan	C.S. Brooks Canada, Inc	24	120078	Registered	06/07/2002
Denmark	sheridan	C.S. Brooks Canada, Inc	24	VR 1985	Registered	04/01/2005
Denmark	supercalc	Textile Industries Australia Limited	24	00017	Registered	18/03/2000 (not renewed)
Norway	sheridan	C.S. Brooks Canada, Inc	24	VR 1990	Registered	18/03/2000 (not renewed)
United States	sheridan	C.S. Brooks Canada, Inc	24	156356	Registered	13/05/2003
United States	carrington	C.S. Brooks Canada, Inc	24	1,351,753	Registered	30/07/2005
United States	carrington	C.S. Brooks Canada, Inc	24	1,555,360	Registered	30/06/2009
United States	esplande	C.S. Brooks Canada, Inc	24	1,928,056	Registered	17/10/2001
United States	sheridan australia	C.S. Brooks Canada, Inc	24	1,953,433	Registered	30/01/2002
United States	sheridan australia	C.S. Brooks Canada, Inc	24	2,121,639	Registered	16/12/2003
country	trade mark	owner	class	number	status	deadline
European Union	sheridan	C.S. Brooks, Inc	24	1,353,309	Pending	22/10/2009
European Union	sheridan LOGO	C.S. Brooks, Inc	24	1,370,139	Pending	03/11/2009

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country	trade mark	owner	class	number	status	deadline
Union Norway	supercalc	C.S Brooks Canada, Inc	24	132443	Lapsed	09/06/1998 (not renewed)

**Designs**

Article	appl'n no.	reg'n no.	status	reg'n date	deadline
QUILT COVER	1184/1999	139817	Reg'd	18/02/2000	18/02/2001
QUILT COVER	1189/1999	139743	Reg'd	08/02/2000	08/02/2001
QUILT COVER	1188/1999	139742	Reg'd	08/02/2000	08/02/2001
QUILT COVER	1187/1999	139741	Reg'd	08/02/2000	08/02/2001
QUILT COVER	1186/1999	139740	Reg'd	08/02/2000	08/02/2001
QUILT COVER	1185/1999	139739	Reg'd	08/02/2000	08/02/2001
QUILT COVER	884/1999	139738	Reg'd	08/02/2000	08/02/2001
QUILT COVER	883/1999	139737	Reg'd	08/02/2000	08/02/2001
QUILT COVER	882/1999	139736	Reg'd	08/02/2000	08/02/2001
QUILT COVER	881/1999	139735	Reg'd	08/02/2000	08/02/2001
QUILT COVER	880/1999	139734	Reg'd	08/02/2000	08/02/2001
QUILT COVER	879/1999	139733	Reg'd	08/02/2000	08/02/2001
QUILT COVER	878/1999	139732	Reg'd	08/02/2000	08/02/2001
QUILT COVER	877/1999	139731	Reg'd	08/02/2000	08/02/2001
QUILT COVER	413/1998	134642	Reg'd	12/08/1998	16/02/2004
QUILT COVER	411/1998	134640	Reg'd	12/08/1998	16/02/2004
QUILT COVER	410/1998	134639	Reg'd	12/08/1998	16/02/2004
QUILT COVER	409/1998	134638	Reg'd	12/08/1998	16/02/2004
QUILT COVER	407/1998	134636	Reg'd	12/08/1998	16/02/2004
QUILT COVER	406/1998	134635	Reg'd	12/08/1998	16/02/2004
QUILT COVER	3240/1997	133770	Reg'd	20/05/1998	30/09/2003
QUILT COVER	3238/1997	133768	Reg'd	20/05/1998	30/09/2003
QUILT COVER	3237/1997	133767	Reg'd	20/05/1998	30/09/2003
QUILT COVER	3236/1997	133766	Reg'd	20/05/1998	30/09/2003
QUILT COVER	1035/1997	131703	Reg'd	20/05/1998	30/09/2003
QUILT COVER	1033/1997	131704	Reg'd	13/10/1997	04/04/2003
QUILT COVER	1032/1997	131702	Reg'd	13/10/1997	04/04/2003
QUILT COVER	1030/1997	131700	Reg'd	13/10/1997	04/04/2003
QUILT COVER	3525/1996	131000	Reg'd	02/09/1997	14/10/2002

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Article	appl' n no.	reg' n no.	status	reg' n date	deadline
QUILT COVER	3524/1996	130988	Reg'd	26/08/1997	14/10/2002
QUILT COVER	2738/1996	130996	Reg'd	02/09/1997	19/08/2002
QUILT COVER	2737/1996	130995	Reg'd	02/09/1997	19/08/2002
QUILT COVER	898/1996	128120	Reg'd	24/09/1996	25/03/2002
QUILT COVER	896/1996	128118	Reg'd	24/09/1996	25/03/2002
QUILT COVER	3241/1995	125131	Reg'd	08/11/1995	10/10/2001
QUILT COVER	2783/1995	125129	Reg'd	08/11/1995	07/09/2001
QUILT COVER	2780/1995	124824	Reg'd	10/10/1995	07/09/2001
QUILT COVER	1170/1995	123439	Reg'd	15/05/1995	18/04/2001
QUILT COVER	927/1995	123230	Reg'd	19/04/1995	27/03/2001
QUILT COVER	925/1995	123228	Reg'd	19/04/1995	27/03/2001
QUILT COVER	282/1995	122713	Reg'd	20/02/1995	27/03/2001
QUILT COVER	3667/1994	122122	Reg'd	07/12/1994	06/02/2001
QUILT COVER	3045/1994	121688	Reg'd	29/09/1994	03/11/2000
QUILT COVER	3046/1994	121687	Reg'd	29/09/1994	16/09/2000
QUILT COVER	3047/1994	121686	Reg'd	29/09/1994	16/09/2000
QUILT COVER	3052/1994	121685	Reg'd	29/09/1994	16/09/2000
QUILT COVER	3051/1994	121684	Reg'd	29/09/1994	16/09/2000
QUILT COVER	3050/1994	121683	Reg'd	29/09/1994	16/09/2000
QUILT COVER	3049/1994	121682	Reg'd	29/09/1994	16/09/2000
QUILT COVER	3048/1994	121681	Reg'd	29/09/1994	16/09/2000
QUILT COVER	2838/1994	121512	Reg'd	13/09/1994	16/09/2000
QUILT COVER	2837/1994	121511	Reg'd	13/09/1994	02/09/2000
QUILT COVER	2836/1994	121510	Reg'd	13/09/1994	02/09/2000
QUILT COVER	2470/1994	121298	Reg'd	13/09/1994	02/09/2000
QUILT COVER	2468/1994	121296	Reg'd	16/08/1994	03/08/2000
QUILT COVER	2473/1994	121259	Reg'd	16/08/1994	03/08/2000
QUILT COVER	1645/1994	122444	Reg'd	12/08/1994	03/08/2000
QUILT COVER	1646/1994	122429	Reg'd	23/01/1995	25/05/2000
QUILT COVER	1282/1994	120306	Reg'd	23/01/1995	25/05/2000
QUILT COVER	1283/1994	120305	Reg'd	11/05/1994	26/04/2000
QUILT COVER			Reg'd	11/05/1994	26/04/2000

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Article	appl'n no.	reg'n no.	status	reg'n date	deadline
QUILT COVER	1284/1994	120304	Reg'd	11/05/1994	26/04/2000
QUILT COVER	1046/1994	119994	Reg'd	19/04/1994	05/04/2005
QUILT COVER	1047/1994	119993	Reg'd	19/04/1994	05/04/2000
QUILT COVER	1048/1994	119992	Reg'd	19/04/1994	05/04/2000
QUILT COVER	1049/1994	119991	Reg'd	19/04/1994	05/04/2000
QUILT COVER	1050/1994	119990	Reg'd	19/04/1994	05/04/2000
QUILT COVER	1051/1994	119989	Reg'd	19/04/1994	05/04/2000
QUILT COVER	1053/1994	119988	Reg'd	19/04/1994	05/04/2000
QUILT COVER	1052/1994	119987	Reg'd	19/04/1994	05/04/2000
QUILT COVER	4053/1993	119477	Reg'd	19/04/1994	05/04/2000
QUILT COVER	4034/1993	119260	Reg'd	24/02/1994	23/12/1999
QUILT COVER	4032/1993	119258	Reg'd	20/01/1994	23/12/1999
QUILT COVER	2956/1993	118548	Reg'd	20/01/1994	23/12/2004
QUILT COVER	2955/1993	118547	Reg'd	21/10/1993	22/09/2004
TEXTILE MATERIAL	793/1993	116684	Reg'd	21/10/1993	22/09/2004
TEXTILE MATERIAL	791/1993	116624	Reg'd	05/04/1993	16/03/2004
TEXTILE MATERIAL	790/1993	116623	Reg'd	25/03/1993	16/03/2004
TEXTILE MATERIAL	796/1993	116604	Reg'd	25/03/1993	16/03/2004
TEXTILE MATERIAL	1548/1992	114646	Reg'd	24/03/1993	16/03/2004
TEXTILE MATERIAL	577/1992	113630	Reg'd	29/07/1992	18/06/2003
TEXTILE MATERIAL	576/1992	113629	Reg'd	03/04/1992	09/03/2003
TEXTILE MATERIAL	574/1992	113627	Reg'd	03/04/1992	09/03/2003
TEXTILE MATERIAL	573/1992	113626	Reg'd	03/04/1992	09/03/2003
TEXTILE ARTICLE	1517/1991	112630	Reg'd	03/04/1992	09/03/2003
TEXTILE ARTICLE	1516/1991	112629	Reg'd	25/10/1991	31/05/2002
TEXTILE ARTICLE	1515/1991	112628	Reg'd	25/10/1991	31/05/2002
TEXTILE ARTICLE	1514/1991	112627	Reg'd	25/10/1991	31/05/2002
TEXTILE ARTICLE	1513/1991	112626	Reg'd	25/10/1991	31/05/2002
TEXTILE ARTICLE	1512/1991	112625	Reg'd	25/10/1991	31/05/2002
TEXTILE ARTICLE	1508/1991	112415	Reg'd	25/10/1991	31/05/2002
TEXTILE ARTICLE	1509/1991	112414	Reg'd	14/10/1991	31/05/2002

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Article	appl'n no.	reg'n no.	status	reg'n date	deadline
QUILT COVER	726/1989	104296	Reg'd	29/06/1989	13/03/2005
QUILT COVER	906/1988	100270	Reg'd	05/05/1988	18/03/2004
QUILT COVER	902/1988	100267	Reg'd	05/05/1988	18/03/2004



CONTRACTS

**Rest of Australia**

- Information Technology Management Agreement between Arel Asia Pacific Pty Limited (ACN 069 859 310) and Sheridan Australia, a division of CS Brooks Canada Inc (ARBN 074 468 394), undated;
- Screen Supply Agreement between Reprocart Pty Limited (ACN 006 214 544) and CS Brooks Inc (ARBN 074 468 394) dated 24 June 1999;
- The David Jones Concession Agreements being the following:
  - (1) Licence Deed between David Jones Limited (ACN 000 074 573) and Textile Industries Australia Limited (ACN 003 021 574), undated in relation to First Floor, David Jones Store Tuggerah, New South Wales;
  - (2) Licence Deed between David Jones Limited (ACN 000 074 573) and CS Brooks Canada Inc (ARBN 074 468 394) dated 25 March 1997 in relation to Level 1, David Jones Store, Robina, Queensland;
  - (3) Licence Deed between David Jones Limited (ACN 000 074 573) and CS Brooks Canada Inc (ARBN 074 468 394) dated 31 October 1996 in relation to Level 1, David Jones Store, Glen Waverly, Victoria;
  - (4) Licence Deed between David Jones (Australia) Pty Limited (ACN 000 074 573) AND Textile Industries Australia Limited (ACN 003 021 574), dated 18 October 1990 in relation to Second Floor, David Jones Store, Bourke Street, Melbourne, Victoria;
  - (5) Licence Deed between David Jones (Australia) Pty Limited (ACN 000 074 573) and Textile Industries Australia Limited (ACN 003 021 574), dated 31 October 1990 in relation to David Jones Stores – New South Wales, being:
    - (i) 6<sup>th</sup> Floor, David Jones Store, Elizabeth Street, Sydney, New South Wales;
    - (ii) Level 1, David Jones Store, Bondi Junction, New South Wales
    - (iii) Level 5, David Jones Store, Chatswood, New South Wales;
    - (iv) Ground Floor, David Jones Store, Parramatta, New South Wales;

(v) Ground Floor, David Jones Store, Crown Street, Wollongong, New South Wales;

(vi) Level 1, David Jones Store, Bankstown, New South Wales;

(6) Kotara Fair, Garden City Shopping Centre, Kotara, NSW 2289;

(7) Canberra Centre, Canberra, ACT 2601;

(8) Waringah Mall, Brookvale, NSW 2100;

(9) Eastgardens Westfield Shoppingtown, Pagewood, NSW 2035;

(10) Castle Hill, Old Castle Hill Road (Cnr. Felton Road), Castle Hill, NSW 2154;

(11) Miranda Westfield Shoppingtown, Miranda, NSW 2228;

(12) Hunter Street, Newcastle, NSW 2300; and

(13) Woden Plaza, Phillip, ACT 2228.

- Concession Agreements between Sheridan Australia, a division of CS Brooks Canada Inc (ARBN 074 468 394) and Aherns (Suburban) Pty Limited (ACN 008 749 675) in connection with the following stores:

(a) City;

(b) Rockingham;

(c) Claremont;

(d) Karringup; and

(e) Garden City.

- Supply Agreement between Canning Vale Weaving Mills limited (ACN 009 171 715) and Sheridan Australia, a division of CS Brooks Inc (ARBN 074 468 394) executed by Sheridan Australia on 25 April 1999; and
- Supply and licence agreement between CS Brooks Inc trading as Sheridan (ARBN 074 468 394) and Canning Vale Weaving Mills Limited (ACN 009 171 715), undated.
- Lease Agreement between Brenmoss Properties Pty Limited (ACN 000 184 645) and C.S.Brooks Canada, Inc. dated 29 July 1996 in relation to Folio Identifier 10/582591, Suite 6A and Levels 7 and 8, 10-14 Waterloo Street, Surrey Hills.

## **South Australia**

- Licence Agreement between David Jones (Australia) Pty Ltd and Textile Industries Australia dated 18 October 1990 re Level 6, David Jones Store, Rundle Mall, Adelaide, SA.

## **United Kingdom**

- Concession Agreement between Debenhams Plc and C.S.Brooks, Inc. dated 25 July 1996.
- Concession Agreement between House of Fraser (Stores) Limited and Sheridan Australia, undated 1998.

## **United States**

- Property Lease between C.S.Brooks, Inc. and Keystone Operating Partnership re 240 Feaster Road, South Carolina.
- Property Lease between C.S.Brooks, Inc and Miromar Properties Phase 1 Inc. re Miromar Factory Outlet, Lee County, Florida.
- Property Lease between C.S.Brooks, Inc and Chelsea GCA Realty Partnership LP re Woodbury Common Factory Outlets, County of Orange, New York
- Property Lease between C.S.Brooks, Inc. and Manhattan Properties Co re 295 Fifth Avenue, New York.

## **Other**

- Computer Equipment Lease Agreement between NIA National Leasing Inc. and CS Brooks Canada Inc. dated 25 March 1998.
- Computer Equipment Lease Agreement between Capita Corporate Capital Australia Limited and Sheridan dated 6 January 2000.
- Computer Equipment Lease Agreement between NIA National Leasing Inc., and CS Brooks Canada Inc dated 1 April 1999;.
- Forklift Equipment Lease between Piedmont Clarklift Inc., and CS Brooks Canada Inc dated 15 January 1997.

• Car Lease Agreement between Toyota of Greenville Inc., and and CS Brooks Canada Inc.

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TRADEMARK  
REEL: 002239 FRAME: 0230

**VEHICLES**

None

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ACKNOWLEDGMENT AND CONSENT<sup>1</sup>

The undersigned hereby acknowledges receipt of a copy of the Collateral Agreement, dated as of November 13, 2000 (the "Agreement"), made by the Grantor parties thereto for the benefit of UBS Nominees Pty Australia Limited, as Security Agent. The undersigned agrees on behalf of the Security Agent and the Secured Parties as follows:

1. The undersigned will be bound by the terms of the Agreement and will comply with such terms insofar as such terms are applicable to the undersigned.
2. The undersigned will notify the Security Agent promptly in writing of the occurrence of any of the events described in Section 4.15(a) of the Agreement.
3. The terms of Section 5.3(c) of the Agreement shall apply to it, mutatis mutandis, with respect to all actions that may be required of it pursuant to Section 5.3(c) of the Agreement.

[NAME OF ISSUER]

By \_\_\_\_\_

Name:

Title:

Address for Notices:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Fax:

<sup>1</sup> This consent is necessary only with respect to any Issuer which is not also a Grantor.

ASSUMPTION AGREEMENT, dated as of \_\_\_\_\_, made by \_\_\_\_\_, a \_\_\_\_\_ corporation (the "Additional Subsidiary"), in favor of UBS NOMINEES PTY LIMITED, as Security Agent (in such capacity, the "Security Agent") for the benefit of the Secured Parties referred to below. All capitalized terms not defined herein shall have the meaning ascribed to them in the Collateral Agreement (as defined below).

**WITNESSETH:**

WHEREAS, pursuant to the Senior Facility Agreement, dated as of November 10, 2000 (as amended, supplemented or otherwise modified from time to time, the "Senior Facility Agreement"), among Dreamsheets Investment Pty Limited (the "Borrower"), the subsidiaries of the Borrower (including the other Grantors) from time to time parties thereto, the banks and financial institutions referred to therein (the "Senior Lenders"), UBS Australia Limited, as agent for the Senior Lenders (in such capacity, the "Senior Agent"), UBS Nominees Pty Limited, as security agent for the Senior Lenders, the Senior Lenders have severally agreed to make loans to, and to grant a revolving credit facility to the Borrower (the "Senior Facilities") upon the terms and subject to the conditions set forth therein;

WHEREAS, pursuant to (i) the Subscription Agreement for Subordinated Facility, dated as of November 10, 2000 (as amended, supplemented or otherwise modified from time to time, the "Subscription Agreement"), among the Borrower, the lenders (the "Mezzanine Lenders") and guarantors (including the other Grantors) referred to therein, UBS Australia Limited, as agent for the Mezzanine Lenders (in such capacity, the "Mezzanine Agent"), the Security Agent, as security agent for the Mezzanine Lenders and UBS Warburg Australia Corporate Finance Limited, as arranger and (ii) the Loan Note Deed Poll, dated as of November 10, 2000, executed by the Borrower in favor of the Mezzanine Lenders (the "Loan Note Deed Poll") and, together with the Subscription Agreement, collectively, the "Mezzanine Facility Agreement", the Mezzanine Lenders have agreed to make loans to the Borrower (the "Mezzanine Loans") upon the terms and subject to the conditions set forth therein;

WHEREAS, pursuant to (i) the Vendor Note Agreement and (ii) the Second Vendor Note Agreement, each dated as of November 13, 2000 (as amended, supplemented or otherwise modified from time to time, the "Vendor Note Agreements") and, together with the Senior Facility Agreement, the Mezzanine Loan Agreement, each other Finance Document (as defined in the Intercreditor Deed) and any other document which the Grantors and the Security Agent agree is a Secured Agreement hereunder, collectively, the "Secured Agreements") among the Borrower, C.S. Brooks, Inc. (in such capacity, the "Noteholder") and, together with the Senior Lenders, the Mezzanine Lenders, the Senior Agent, the Mezzanine Agent, the Vendor, the Security Agent, each other Beneficiary (as defined in the Intercreditor Deed) and any other Person which the Grantors and the Security Agent shall agree is a Secured Party hereunder, collectively, the "Secured Parties", and UBS Nominees Pty Australia Limited, as Security Agent for the Noteholder, the Borrower has promised to pay to the Noteholder the amounts specified therein and upon the terms and subject to the conditions set forth therein;

WHEREAS, in connection with the Secured Agreements, the Borrower and certain of its Subsidiaries (other than the Additional Subsidiary) have entered into the Collateral Agreement, dated as

of November 10, 2000 (as amended, supplemented or otherwise modified from time to time, the "Collateral Agreement"), in favor of the Security Agent for the benefit of the Secured Parties;

WHEREAS, the Secured Agreements requires the Additional Subsidiary to become a party to the Collateral Agreement; and

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

NOW, THEREFORE, IT IS AGREED:

1. Collateral Agreement. By executing and delivering this Assumption Agreement, the Additional Subsidiary, as provided in Section 7.15 of the Collateral Agreement, hereby becomes a party to the Collateral Agreement as a Grantor and a Guarantor thereunder with the same force and effect as if originally named therein as a Grantor and a Guarantor and, without limiting the generality of the foregoing, hereby expressly assumes all obligations and liabilities of a Grantor and of a Guarantor thereunder. The information set forth in Annex 1-A hereto is hereby added to the information set forth in the Schedules to the Collateral Agreement. The Additional Subsidiary hereby represents and warrants that each of the representations and warranties contained in Section 4 of the Collateral Agreement is true and correct on and as the date hereof in all material respects (after giving effect to this Assumption Agreement) as if made on and as of such date.

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

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

[ADDITIONAL SUBSIDIARY]

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



**Annex 1-A to  
Assumption Agreement**

**Supplement to Schedule 1**

**Supplement to Schedule 2**

**Supplement to Schedule 3**

**Supplement to Schedule 4**

**Supplement to Schedule 5**

**Supplement to Schedule 6**

**Supplement to Schedule 7**

**Supplement to Schedule 8**

SIMPSON THACHER & BARTLETT

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(212) 455-2365

E-MAIL ADDRESS

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BY EXPRESS MAIL

February 21, 2001

Re: Recordation of Security Agreement

Commissioner of Patents and Trademarks  
U.S. Patent and Trademark Office  
Assignment Division  
1213 Jefferson Davis Hwy, 3<sup>rd</sup> Floor  
Arlington, VA 22202

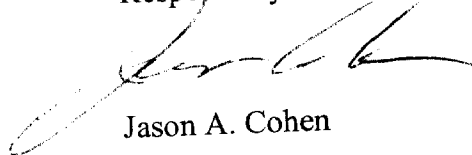
Dear Madam or Sir:

Enclosed for recording please find a Security Agreement in favor of UBS  
Nominees Pty Limited, as Security Agent, covering 5 U.S. trademark registrations.

A check for \$140 is enclosed to cover the filing fee. Please return  
confirmation of this filing to me at my firm's address as listed above.

Thank you for your consideration.

Respectfully submitted,



Jason A. Cohen

Enclosure

LONDON

COLUMBUS

HONG KONG

LOS ANGELES

TOKYO

PALO ALTO

SINGAPORE

RECORDED: 02/22/2001

TRADEMARK  
REEL: 002239 FRAME: 0236