

02-24-2003



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REGISTRATION FORM COVER SHEET
TRADEMARKS ONLY

U.S. DEPARTMENT OF COMMERCE
U.S. Patent and Trademark Office

Form PTO-1594
(Rev. 03/01)
OMB No. 0651-0027 (exp. 5/31/2002)
Tab settings → → →

RE

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

1. Name of conveying party(ies):
 Steamatic, Inc. (Texas); Emtech Environmental Services, Inc. (Texas); Utech, Inc. (Texas)

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

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

2. Name and address of receiving party(ies)
 Name: Bank of America, N.A.
 Internal Address: _____
 Street Address: 901 Main St., 67th Floor
 City: Dallas State: TX Zip: 75202

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

If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No
 (Designations must be a separate document from assignment)
 Additional name(s) & address(es) attached? Yes No

3. Nature of conveyance:
 Assignment Merger
 Security Agreement Change of Name
 Other _____

Execution Date: September 25, 2002

4. Application number(s) or registration number(s):
 A. Trademark Application No.(s)
 B. Trademark Registration No.(s)
1,497,080; 1,517,466

Additional number(s) attached Yes No

5. Name and address of party to whom correspondence concerning document should be mailed:
 Name: S. Roxanne Edwards
 Internal Address: _____
 Street Address: 1201 Main Street,
P.O. Box 50784
 City: Dallas State: Texas Zip: 75250

6. Total number of applications and registrations involved: 15

7. Total fee (37 CFR 3.41).....\$ 390.00
 Enclosed
 Authorized to be charged to deposit account

8. Deposit account number:
Winstead: 23-2426

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

OFFICE OF PUBLIC RECORDS
2002 OCT 15 AM 11:20
FINANCE SECTION

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

S. Roxanne Edwards [Signature] 10/9/02
 Name of Person Signing Signature Date

Total number of pages including cover sheet, attachments, and document: 66

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

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25690-678

00000225 1487000
LWELLER 00000000
10/18/2002

TRADEMARK
REEL: 002675 FRAME: 0814

LIST OF TRADEMARKS FOR SECURITY INTEREST AGREEMENT

MARK	APP/REG NUMBER	APP/REG DATE
BLACKMON MOORING STEAMATIC	1,313,889	01/08/1985
BMS TECHNOLOGIES & DESIGN	1,978,774	06/04/1996
E2S EMTECH & DESIGN	1,540,873	05/23/1989
LAMBRITE	963,218	07/03/1973
STEAMATIC	876,236	09/02/1969
STEAMATIC	912,059	06/08/1971
STEAMATIC & DESIGN	878,142	10/07/1969
STEAMATIC- CLEANING & RESTORATION	1,904,640	07/11/1995
STEAMATIC-SOLUTION- POLLUTION	1,792,207	09/07/1993
STEAMATIC-TOTAL CLEANING SERVICE	1,257,115	11/08/1993
STEAMATIC-TOTAL CLEANING SERVICE	1,283,047	06/26/1984
STEAMATICARE	1,390,259	04/15/1986
UNISOURCE	1,783,636	07/20/1993

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SECURITY AGREEMENT

SECURITY AGREEMENT (this "*Agreement*"), dated as of September 25, 2002, made by each of the signatories party hereto (including any permitted successors and assigns, collectively, the "*Grantors*" and each a "*Grantor*"), in favor of Bank of America, N.A., as Administrative Agent ("*Administrative Agent*"), for the ratable benefit of the Secured Lenders (as defined in the Credit Agreement defined below) (the Administrative Agent, in said capacity, herein also referred to, from time to time, as the "*Secured Party*").

BACKGROUND.

Administrative Agent, Lenders, and The BMS Enterprises, Inc., a Texas corporation, entered into the Credit Agreement dated as of September 25, 2002, (said Credit Agreement, as it may be amended, restated, extended, supplemented or otherwise modified in writing from time to time, being the "*Credit Agreement*", and capitalized terms not defined herein but defined therein being used herein as therein defined). It is the intention of the parties hereto that this Agreement create a first priority security interest in property of the Grantors in favor of the Administrative Agent on behalf of the Secured Parties securing the payment and performance of the Obligations.

AGREEMENT.

NOW, THEREFORE, in consideration of the premises set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and in order to induce Secured Lenders to make the Loans under the Credit Agreement and to extend other credit accommodations under the Loan Documents, each Grantor hereby agrees with the Secured Party, for the ratable benefit of Secured Lenders, as follows:

ARTICLE I

DEFINITIONS

1.1. *Definitions.* For purposes of this Agreement:

"*Accession*" means all right, title, and interest of each Grantor (in each case whether now or hereafter existing, owned, arising, or acquired) in and to an accession (as defined in the UCC), and (whether or not included in that definition), a good that is physically united with another good in such a manner that the identity of the original good is not lost.

"*Account*" means all right, title, and interest of each Grantor (in each case whether now or hereafter existing, owned, arising, or acquired) in and to an account (as defined in the UCC), and (whether or not included in such definition), a right to payment of a monetary obligation, whether or not earned by performance for property that has been or is to be sold, leased, licensed, assigned, or otherwise disposed of, and for service rendered or to be rendered, and all right, title, and interest in any returned property, together with all rights, titles, securities, and guarantees with respect thereto, including any rights to stoppage in transit, replevin, reclamation, and resales, and all related Liens whether voluntary or involuntary.

"*Account Debtor*" means any Person who is or who may become obligated to each Grantor under, with respect to or on account of an Account.

"*Chattel Paper*" means all right, title, and interest of each Grantor (in each case whether now or hereafter existing, owned, arising, or acquired) in and to chattel paper (as defined in the UCC), and (whether or not included in such definition), a Record or Records that evidence both a monetary obligation and a security interest in specific Goods, a security interest in specific Goods and Software used in the Goods, or a lease of specific Goods.

"*Collateral*" means all (a) Accounts, (b) Accessions, (c) Chattel Paper, (d) Commercial Tort Claims, including but not limited to the specific Commercial Tort Claims described on Schedule 7, (e) Commodity Accounts, (f) Commodity Contracts, (g) Deposit Accounts, (h) Documents, (i) Equipment, (j) Financial Assets, (k) Fixtures, (l) General Intangibles, (m) Goods, (n) Intellectual Property, (o) Instruments, (p) Inventory, (q) Investment Property, (r) Letters of Credit, (s) Letter-of-Credit Rights, (t) Payment Intangibles, (u) Permits, (v) Securities, (w) Securities Accounts, (x) Security Entitlements, (y) Software, (z) supporting obligations, (aa) cash and cash accounts, (ab) Proceeds, (ac) products, (ad) Collateral Records, (ae) Insurance, (af) Money, (ag) Licenses referable to Trade Secret, and (ah) Pledged Equity Interests.

"*Collateral Records*" shall mean books, records, ledger cards, files, correspondence, customer lists, blueprints, technical specifications, manuals, computer software, computer printouts, tapes, disks and related data processing software and similar items that at any time evidence or contain information relating to any of the Collateral or are otherwise necessary of helpful in the collection thereof or realization thereupon.

"*Commercial Tort Claim*" means all right, title, and interest of each Grantor (in each case whether now or hereafter existing, owned, arising, or acquired) in and to a commercial tort claim (as defined in the UCC), and (whether or not included in such definition), all claims arising in tort with respect to which the claimant (a) is an organization, or (b) an individual and the claim (i) arose in the course of the claimant's business or profession, and (ii) does not include damages arising out of personal injury to or the death of an individual.

"*Commodity Account*" means all right, title, and interest of each Grantor (in each case whether now or hereafter existing, owned, arising, or acquired) in and to a commodity account (as defined in the UCC), and (whether or not included in such definition), an account maintained by a Commodity Intermediary in which a Commodity Contract is carried for a Commodity Customer.

"*Commodity Contract*" means all right, title, and interest of each Grantor (in each case whether now or hereafter existing, owned, arising, or acquired) in and to a commodity futures contract, an option on a commodity futures contract, a commodity option, or any other contract if the contract or option is (a) traded on or subject to the rules of a board of trade that has been designated as a contract market for such a contract pursuant to the federal commodities Laws, or (b) traded on a foreign commodity board of trade, exchange, or market, and is carried on the books of a Commodity Intermediary for a Commodity Customer.

"Commodity Customer" means a Person for whom a Commodity Intermediary carries a Commodity Contract on its books.

"Commodity Intermediary" means (a) a Person that is registered as a futures commission merchant under the federal commodities Laws or (b) a Person that in the ordinary course of its business provides clearance or settlement services for a board of trade that has been designated as a contract market pursuant to federal commodities Laws.

"Copyright License" means all right, title, and interest of each Grantor (in each case whether now or hereafter existing, owned, arising, or acquired) in and to any written agreement, now or hereafter in effect, granting any right to any third party under any Copyright now or hereafter owned by each such Grantor or which each such Grantor otherwise has the right to license, or granting any right to each such Grantor under any Copyright now or hereafter owned by any third party, and all rights of each such Grantor under any such agreement.

"Copyrights" means all right, title, and interest of each Grantor (in each case whether now or hereafter existing, owned, arising, or acquired) in and to (a) all copyright rights in any work subject to the copyright Laws of any Governmental Authority, whether as author, assignee, transferee, or otherwise, (b) all registrations and applications for registration of any such copyright in any Governmental Authority, including registrations, recordings, supplemental registrations, and pending applications for registration in any jurisdiction, and (c) all rights to use and/or sell any of the foregoing.

"Deposit Account" means all right, title, and interest of each Grantor (in each case whether now or hereafter existing, owned, arising, or acquired) in and to a deposit account (as defined in the UCC), and (whether or not included in such definition), a demand, time, savings, passbook, or similar account maintained at a bank (as defined in the UCC).

"Document" means all right, title, and interest of each Grantor (in each case whether now or hereafter existing, owned, arising, or acquired) in and to a document (as defined in the UCC), and (whether or not included in such definition), a document of title, bill of lading, dock warrant, dock receipt, warehouse receipt, or order for the delivery of Goods.

"Electronic Chattel Paper" means all right, title, and interest of each Grantor (in each case whether now or hereafter existing, owned, arising, or acquired) in and to electronic chattel paper (as defined in the UCC), and (whether or not included in such definition), chattel paper evidenced by a Record or Records consisting of information stored in electronic medium.

"Entitlement Holder" means a Person identified in the records of a Securities Intermediary as the Person having a Security Entitlement against the Securities Intermediary. If a Person acquires a Security Entitlement by virtue of Section 8-501(b)(2) or (3) of the UCC, such Person is the Entitlement Holder.

"Equipment" means all right, title, and interest of each Grantor (in each case whether now or hereafter existing, owned, arising, or acquired) in and to equipment (as defined in the UCC), and (whether or not included in such definition), all Goods other than Inventory or consumer goods, and all improvements, accessions, or appurtenances thereto. The term Equipment shall include Fixtures.

"Financial Asset" means all right, title, and interest of each Grantor (in each case whether now or hereafter existing, owned, arising, or acquired) in and to a financial asset (as defined in the UCC), and (whether or not included in such definition), (a) a Security, (b) an obligation of a Person or a share, participation or other interest in a Person or in property or an enterprise of a Person, that is, or is of a type, dealt in or traded on financial markets or that is recognized in any area in which it is issued or dealt in as a medium for investment, or (c) any property that is held by a Securities Intermediary for another Person in a Securities Account if the Securities Intermediary has expressly agreed with the other Person that the property is to be treated as a financial asset under Article 8 of the Uniform Commercial Code. As the context requires, "Financial Asset" means either the interest itself or the means by which a Person's claim to it is evidenced, including a certificated or uncertificated Security, a certificate representing a Security, or a Security Entitlement.

"Fixtures" means all right, title, and interest of each Grantor (in each case whether now or hereafter existing, owned, arising, or acquired) in and to fixtures (as defined in the UCC), and (whether or not included in such definition), all Goods that have become so related to particular real property that an interest in them arises under the real property Law of the state in which the real property is situated.

"General Intangible" means all right, title, and interest of each Grantor (in each case whether now or hereafter existing, owned, arising, or acquired) in and to a general intangible (as defined in the UCC (whether or not included in such definition), all personal property, including things in action, other than Accounts, Chattel Paper, Commercial Tort Claims, Deposit Accounts, Documents, Goods, Instruments, Investment Property, Letter-of-Credit Rights, Letters of Credit, money, and oil, gas or other minerals before extraction.

"Goods" means all right, title, and interest of each Grantor (in each case whether now or hereafter existing, owned, arising, or acquired) in and to goods (as defined in the UCC), and (whether or not included in such definition), all things that are movable when a security interest attaches.

"Governmental Authority" means any nation or government, any state or other political subdivision thereof, any agency, authority, instrumentality, regulatory body, court, administrative tribunal, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government, and any corporation or other entity owned or controlled, through stock or capital ownership or otherwise, by any of the foregoing.

"Instrument" means all right, title, and interest of each Grantor (in each case whether now or hereafter existing, owned, arising, or acquired) in and to an instrument (as defined in the UCC), and (whether or not included in such definition), a negotiable instrument or any other writing that evidences a right to the payment of a monetary obligation, is not itself a security agreement or lease, and is of a type that in ordinary course of business is transferred by delivery with any necessary indorsement or assignment.

"Insurance" shall mean all insurance policies covering any or all of the Collateral (regardless of whether the Secured Party is the loss payee thereof).

"Intellectual Property" means all right, title, and interest of each Grantor (in each case whether now or hereafter existing, owned, arising, or acquired) in and to all intellectual and similar property of every kind and nature, including inventions, designs, Patents, Copyrights, Licenses, Trademarks, Trade Secrets, confidential or proprietary technical and business information, know-how, show-how or other data or information, Software and databases and all embodiments or fixations thereof and related documentation, registrations and franchises, and all additions, improvements and accessions to, and books and records describing or used in connection with, any of the foregoing.

"Inventory" means all right, title, and interest of each Grantor (in each case whether now or hereafter existing, owned, arising, or acquired) in and to inventory (as defined in the UCC), and (whether or not included in such definition), Goods that (a) are leased by a Person as lessor, (b) are held by a Person for sale or lease or to be furnished under a contract of service, (c) are furnished by a Person under a contract of service, or (d) consist of raw materials, work in process, or materials used or consumed in a business, including packaging materials, scrap material, manufacturing supplies and spare parts, and all such Goods that have been returned to or repossessed by or on behalf of such Person.

"Investment Property" means all right, title, and interest of each Grantor (in each case whether now or hereafter existing, owned, arising, or acquired) in and to investment property (as defined in the UCC), and (whether or not included in such definition), a Security (whether certificated or uncertificated), a Security Entitlement, Securities Account, Commodity Contract, Commodity Account, and Pledged Debt.

"Letter of Credit" means all right, title, and interest of each Grantor (in each case whether now or hereafter existing, owned, arising, or acquired) in and to a letter of credit (as defined in the UCC).

"Letter-of-Credit Right" means all right, title, and interest of each Grantor (in each case whether now or hereafter existing, owned, arising, or acquired) in and to a letter-of-credit right (as defined in the UCC), and (whether or not included in such definition), (a) a right to payment or performance under a letter of credit, whether or not the beneficiary has demanded or is at the time entitled to demand payment or performance, and (b) the right of a beneficiary to demand payment or performance under a letter of credit.

"License" means any Patent License, Trademark License, Copyright License, or other similar license or sublicense.

"Money" shall mean "money" as defined in the UCC.

"Nonnegotiable Certificate of Deposit" means all right, title, and interest of each Grantor (in each case whether now or hereafter existing, owned, arising, or acquired) in and to a writing signed by a bank that (a) states on its face that it is a certificate of deposit (as defined in the UCC) or receipt for a book entry, (b) contains an acknowledgment that a sum of money has been received by the bank, with an express or implied agreement that the bank will repay the sum of money, and (c) is not a negotiable Instrument.

"Patent License" means all right, title, and interest of each Grantor (in each case whether now or hereafter existing, owned, arising, or acquired) in and to any written agreement, now or hereafter in effect, granting to any third party any right to make, use or sell any invention on which a Patent, now or hereafter owned by each such Grantor or which each such Grantor otherwise has the right to license, is in existence, or granting to each such Grantor any right to make, use or sell any invention on which a Patent, now or hereafter owned by any third party, is in existence, and all rights of each such Grantor under any such agreement.

"Patents" means all right, title, and interest of each Grantor (in each case whether now or hereafter existing, owned, arising, or acquired) in and to (a) all letters patent of any Governmental Authority, all registrations and recordings thereof, and all applications for letters patent of any Governmental Authority, and (b) all reissues, continuations, divisions, continuations-in-part, renewals, or extensions thereof, and the inventions disclosed or claimed therein, including the right to make, use and/or sell the inventions disclosed or claimed therein.

"Payment Intangible" means all right, title, and interest of each Grantor (in each case whether now or hereafter existing, owned, arising, or acquired) in and to a payment intangible (as defined in the UCC), and (whether or not included in such definition), a General Intangible under which the Account Debtor's principal obligation is a monetary obligation.

"Permit" means all right, title, and interest of each Grantor (in each case whether now or hereafter existing, owned, arising, or acquired) in and to any authorization, consent, approval, permit, license or exemption of, registration or filing with, or report or notice to, any Governmental Authority.

"Pledged Debt" shall mean all indebtedness owed to such Grantor, the instruments evidencing such indebtedness, and all interest, cash, instruments and other property or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such indebtedness.

"Pledged Equity Interests" shall mean all Pledged Stock, Pledged LLC Interests, Pledged Partnership Interests and Pledged Trust Interests.

"Pledged LLC Interests" shall mean all interests in any limited liability company and the certificates, if any, representing such limited liability company interests and any interest of such Grantor on the books and records of such limited liability company or on the books and records of any securities intermediary pertaining to such interest and all dividends, distributions, cash, warrants, rights, options, instruments, securities and other property or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such limited liability company interests.

"Pledged Partnership Interests" shall mean all interests in any general partnership, limited partnership, limited liability partnership or other partnership and the certificates, if any, representing such partnership interests and any interest of such Grantor on the books and records of such partnership or on the books and records of any securities intermediary pertaining to such interest and all dividends, distributions, cash, warrants, rights, options, instruments, securities

and other property or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such partnership interests.

"Pledged Stock" shall mean all shares of Capital Stock owned by such Grantor and the certificates, if any, representing such shares and any interest of such Grantor in the entries on the books of the issuer of such shares or on the books of any securities intermediary pertaining to such shares, and all dividends, distributions, cash, warrants, rights, options, instruments, securities and other property or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such shares.

"Pledged Trust Interests" shall mean all interests in a business trust or other trust and the certificates, if any, representing such trust interests and any interest of such Grantor on the books and records of such trust or on the books and records of any securities intermediary pertaining to such interest and all dividends, distributions, cash, warrants, rights, options, instruments, securities and other property or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such trust interests.

"Proceeds" means all right, title, and interest of each Grantor (in each case whether now or hereafter existing, owned, arising, or acquired) in and to proceeds (as defined in the UCC), and (whether or not included in such definition), (a) whatever is acquired upon the sale, lease, license, exchange, or other disposition of the Collateral, (b) whatever is collected on, or distributed on account of, the Collateral, (c) rights arising out of the Collateral, (d) claims arising out of the loss, nonconformity, or interference with the use of, defects or infringement of rights in, or damage to the Collateral, (e) insurance payable by reason of the loss or nonconformity of, defects or infringement of rights in, or damage to the Collateral, and (f) any and all other amounts from time to time paid or payable under or in connection with any of the Collateral.

"Record" means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.

"Security" means all right, title, and interest of each Grantor (in each case whether now or hereafter existing, owned, arising, or acquired) in and to any obligations of an issuer or any shares, participations or other interests in an issuer or in property or an enterprise of an issuer which (a) are represented by a certificate representing a security in bearer or registered form, or the transfer of which may be registered upon books maintained for that purpose by or on behalf of the issuer, (b) are one of a class or series or by its terms is divisible into a class or series of shares, participations, interests or obligations, and (c)(i) are, or are of a type, dealt with or traded on securities exchanges or securities markets or (ii) are a medium for investment and by their terms expressly provide that they are a security governed by Article 8 of the UCC.

"Securities Account" means all right, title, and interest of each Grantor (in each case whether now or hereafter existing, owned, arising, or acquired) in and to an account to which a Financial Asset is or may be credited in accordance with an agreement under which the Person maintaining the account undertakes to treat the Person for whom the account is maintained as entitled to exercise rights that comprise the Financial Asset.

"Securities Intermediary" means (a) a clearing corporation, or (b) a Person, including a bank or broker, that in the ordinary course of its business maintains securities accounts for others and is acting in that capacity.

"Security Entitlements" means all right, title, and interest of each Grantor (in each case whether now or hereafter existing, owned, arising, or acquired) in and to the rights and property interests as and of an Entitlement Holder with respect to a Financial Asset.

"Software" means all right, title, and interest of Debtor (in each case whether now or hereafter existing, owned, arising, or acquired) in and to software (as defined in the UCC), and (whether or not included in such definition), a computer program (including both source and object code) and any supporting information provided in connection with a transaction relating to the program.

"Tangible Chattel Paper" means all right, title, and interest of each Grantor (in each case whether now or hereafter existing, owned, arising, or acquired) in and to tangible chattel paper (as defined in the UCC), and (whether or not included in such definition), chattel paper evidenced by a Record or Records consisting of information that is inscribed on a tangible medium.

"Trade Secrets" means all right, title, and interest of each Grantor (in each case whether now or hereafter existing, owned, arising, or acquired) in and to trade secrets, all know-how, inventions, processes, methods, information, data, plans, blueprints, specifications, designs, drawings, engineering reports, test reports, materials standards, processing standards and performance standards, and all Software directly related thereto, and all Licenses or other agreements to which such Grantor is a party with respect to any of the foregoing.

"Trademark License" means all right, title, and interest of each Grantor (in each case whether now or hereafter existing, owned, arising, or acquired) in and to any written agreement, now or hereafter in effect, granting to any third party any right to use any Trademark now or hereafter owned by such Grantor or which such Grantor otherwise has the right to license, or granting to such Grantor any right to use any Trademark now or hereafter owned by any third party, and all rights of such Grantor under any such agreement.

"Trademarks" means all right, title, and interest of each Grantor (in each case whether now or hereafter existing, owned, arising, or acquired) in and to (a) all trademarks, service marks, trade names, corporate names, company names, business names, fictitious business names, trade styles, trade dress, logos, other source or business identifiers, designs and general intangibles of like nature, all registrations and recordings thereof, and all registration and recording applications filed with any Governmental Authority in connection therewith, and all extensions or renewals thereof, (b) all goodwill associated therewith or symbolized thereby, (c) all other assets, rights and interests that uniquely reflect or embody such goodwill, and (d) all rights to use and/or sell any of the foregoing.

"UCC" means Chapters 8 and 9 of the Uniform Commercial Code as in effect from time to time in the State of Texas.

1.2. *Other Definitional Provisions.* Capitalized terms not otherwise defined herein have the meaning specified in the Credit Agreement, and, to the extent of any conflict, terms as defined in the Credit Agreement shall control (provided, that a more expansive or explanatory definition shall not be deemed a conflict).

1.3. *Construction.* Unless otherwise expressly provided in this Agreement or the context requires otherwise, (a) the singular shall include the plural, and *vice versa*, (b) words of a gender include the other gender, (c) monetary references are to Dollars, (d) time references are to Dallas time, (e) references to "Articles," "Sections," "Exhibits," and "Schedules" are to the Articles, Sections, Exhibits, and Schedules of and to this Agreement, (f) headings used in this Agreement are for convenience only and shall not be used in connection with the interpretation of any provision hereof, (g) references to any Person include that Person's heirs, personal representatives, successors, trustees, receivers, and permitted assigns, that Person as a debtor-in possession, and any receiver, trustee, liquidator, conservator, custodian, or similar party appointed for such Person or all or substantially all of its assets, (h) references to any Law include every amendment or restatement to it, rule and regulation adopted under it, and successor or replacement for it, (i) references to a particular Loan Document include each amendment or restatement to it made in accordance with the Credit Agreement and such Loan Document, and (j) the inclusion of Proceeds in the definition of "Collateral" shall not be deemed a consent by Secured Parties to any sale or other disposition of any Collateral not otherwise specifically permitted by the terms of the Credit Agreement or this Agreement. This Agreement is a Loan Document.

ARTICLE II

GRANT OF SECURITY INTEREST

2.1. *Assignment and Grant of Security Interest.* As security for the payment and performance, as the case may be, in full of the Obligations, each Grantor hereby assigns to, and pledges and grants to Secured Party, for its benefit and the ratable benefit of the Secured Lenders:

(a) a security interest in the entire right, title, and interest of Grantor in and to all property (except as otherwise set forth herein) of each such Grantor, whether now or hereafter existing, owned, arising or acquired, including but not limited to all Collateral (provided, the amount of equity interests of any Foreign Subsidiary pledged by such Grantor hereunder shall be limited to 65% of the issued and outstanding equity interests of such Foreign Subsidiary); and

(b) each Grantor hereby grants to Secured Party for the ratable benefit of Secured Lenders, an irrevocable royalty-free right and license to use, upon the occurrence and during continuance of an Event of Default, the Intellectual Property worldwide and to enable Administrative Agent to exercise its rights and remedies with respect to the Collateral as Administrative Agent reasonably deems necessary or appropriate.

2.2. *Grantor Remains Liable.* Anything herein to the contrary notwithstanding, (a) each Grantor shall remain liable with respect to and under all Collateral, (b) the exercise by any Secured Lender of any of the rights hereunder shall not release any Grantor from any of its duties

or obligations with respect to or under any Collateral, and (c) no Secured Lender shall have any obligation or liability with respect to or under any Collateral by reason of this Agreement, nor shall any Secured Lender be obligated to perform any of the obligations or duties of any Grantor thereunder or to take any action to collect or enforce any claim for payment assigned hereunder.

2.3. *Delivery of Security and Instrument Collateral.* All certificates or Instruments constituting or evidencing the Collateral shall be delivered to and held by or on behalf of Administrative Agent pursuant hereto and shall be in suitable form for transfer by delivery, or shall be accompanied by undated and duly executed instruments of transfer or assignment in blank, all in form and substance reasonably satisfactory to Administrative Agent. If an Event of Default exists, Administrative Agent has the right, with notice to any Grantor, to transfer to or to register in the name of Administrative Agent or any of its nominees any or all of such Collateral. In addition, Administrative Agent has the right at any time, with the consent of the Borrower prior to an Event of Default, to exchange certificates or instruments representing or evidencing Collateral for certificates or instruments of smaller or larger denominations.

2.4. *Agreement With Respect to Collateral.* Each Grantor and Administrative Agent agree that to the extent that any of the Collateral may be deemed to be a Fixture as opposed to Equipment, Inventory, or any other form of Collateral that may be perfected by the filing of a UCC financing statement, it is the intention of Grantors and Secured Lenders that such Collateral be deemed to be Equipment, Inventory, or any other form of Collateral that may be perfected by the filing of a UCC financing statement and such Collateral not be deemed to be a Fixture.

ARTICLE III

REPRESENTATIONS AND WARRANTIES

3.1. *Representations and Warranties.* Each Grantor represents and warrants to each Secured Lender with respect to itself and the Collateral owned by it that:

(a) Each Grantor is duly organized, validly existing, and in good standing under the Laws of its jurisdiction of organization. Each Grantor has all power and authority to own its properties and to carry on its business as now being conducted. Each Grantor is duly qualified, in good standing, and authorized to do business in each jurisdiction in which the character of its properties or the nature of its business requires such qualification or authorization, except where the failure to so qualify could not reasonably be expected to have a Material Adverse Effect.

(b) Each Grantor has all corporate, partnership or limited liability company, as appropriate, power and has taken all necessary corporate, partnership or limited liability company, as appropriate, action to authorize it to execute and perform this Agreement and each other Loan Document to which it is a party. Each Loan Document to which each Grantor is a party is a legal, valid, and binding obligation of such Grantor, enforceable in accordance with its terms, subject to the following qualifications: (A) equitable principles generally, and (B) Debtor Relief Laws (insofar as any such Debtor Relief Law relates to the bankruptcy, insolvency, or similar event of the Grantors).

(c) The execution, delivery, and performance by each Grantor of each Loan Document to which it is a party, and the consummation of the transactions contemplated thereby, do not and will not (A) require any consent or approval not already obtained, (B) violate any Applicable Law, (C) conflict with, result in a breach of, or constitute a default under the organizational and governance documents of any Grantor, or under any material permit, indenture, agreement, or other instrument, to which each Grantor is a party or beneficiary of, or by which it or its properties may be bound, or (D) result in or require the creation or imposition of any Lien upon or with respect to any property now owned or hereafter acquired by each Grantor, except Liens in favor of or for the benefit of Administrative Agent and Secured Parties.

(d) This Agreement and the confirmation of the existing security interest and the grant of the security interest pursuant to this Agreement in the Collateral create a valid first priority security interest (other than such Collateral that would require the execution of a control agreement for such first priority security interest) in favor of the Secured Lender for Secured Lenders in the Collateral (subject to Permitted Liens), securing the payment and performance of the Obligations, and all filings and other actions necessary or desirable to perfect and protect such security interest and such priority have been duly taken (or will be taken upon each Grantor obtaining rights in Collateral after the date hereof).

(e) Each Grantor has good and indefeasible title to, or a valid leasehold interest in, all of the Collateral free and clear of any Lien, except for Permitted Liens. Each Grantor has not granted a security interest or other Lien in or made an assignment of any of the Collateral (except for Permitted Liens). Each Grantor has neither entered into nor is it or any of its property subject to any agreement limiting the ability of such Grantor to grant a Lien in any property of such Grantor, or the ability of such Grantor to agree to grant or not grant a Lien in any property of such Grantor. None of the Collateral is consigned Goods, subject to any agreement of repurchase, or subject to any dispute, defense, or counterclaim. No effective financing statement or other similar document used to perfect and preserve a security interest or other Lien under the Laws of any jurisdiction covering all or any part of the Collateral is on file in any recording office, except such as may have been filed (A) pursuant to this Agreement or other Loan Document, or (B) relating to Permitted Liens. Each Grantor has not sold any interest in any of its Accounts, Chattel Paper, promissory notes, or Payment Intangibles, or consigned any of its Goods.

(f) All of the Pledged Equity Interests have been duly and validly issued, and the Pledged Stock is fully paid and nonassessable. All of the Pledged Equity Interests consisting of certificated securities have been delivered to the Administrative Agent. Other than Pledged Partnership Interests and Pledged LLC Interests constituting General Intangibles, there are no Pledged Equity Interests other than that represented by certificated securities in the possession of the Administrative Agent. There are no restrictions in any Organization Document governing any Pledged Equity Interest or any other document related thereto which would limit or restrict (i) the grant of a Lien in the Pledged Equity Interests, (ii) the perfection of such Lien or (iii) the exercise of remedies in respect of such perfected Lien in the Pledged Equity Interests as contemplated by this Agreement. Upon the exercise of remedies in respect of Pledged Partnership Interests and Pledged LLC Interests, a transferee or assignee of a partnership interests or membership interest, as the case may be, of such partnership or limited liability company, as the case may be, shall become a partner or member, as the case may be, of such

partnership or limited liability company, as the case may be, entitled to participate in the management thereof and, upon the transfer of the entire interest of such Grantor, such Grantor cases to be a partner or member, as the case may be.

(g) Schedule 1, Section (a) states the jurisdiction of organization, type of entity, entity identification number issued by the appropriate authority of the jurisdiction of each Grantor's organization, and exact name of each Grantor, as such name appears in its currently effective organizational documents as filed with the appropriate authority of the jurisdiction of each Grantor's organization. Schedule 1, Section (b) sets forth each other name each Grantor has had in the past ten years, together with the date of the relevant change. Except as set forth in Schedule 1, Section (c), each Grantor has not changed its identity or type of entity in any way within the past ten years. Changes in identity or type of entity include mergers, consolidations, acquisitions (including both equity and asset acquisitions), and any change in the form, nature, or jurisdiction of organization. Schedules 1 and 2 contain the information required by this Section as to each acquiree or constituent party to a merger, consolidation, or acquisition. Schedule 1, Section (d) states all other names (including trade, assumed, and similar names) used by each Grantor or any of its divisions or other business units at any time during the past ten years. Schedule 1, Section (e) states the Federal Taxpayer Identification Number of each Grantor.

(h) The chief executive office of each Grantor is located at the address stated on Schedule 2, Section (a). Schedule 2, Section (b) states all locations where each Grantor maintains any books or records relating to all Accounts (with each location at which Chattel Paper, if any, is kept being indicated by an "*"). All Tangible Chattel Paper, promissory notes, and other Instruments evidencing the Accounts have been delivered and pledged to Administrative Agent duly endorsed and accompanied by such duly executed instruments of transfer or assignment as are necessary for such pledge, to be held as pledged collateral. Schedule 2, Section (c) states all locations where each Grantor maintains any Equipment or Inventory. Schedule 2, Section (d) states all the places of business of each Grantor or other locations of Collateral not identified in Schedule 2, Sections 2 (a), (b), or (c). Schedule 2, Section (e) states the names and addresses of all Persons other than each Grantor who have possession of any of the Collateral or other property of each such Grantor.

(i) All Accounts have been originated by each Grantor and all Inventory has been acquired by each Grantor in the ordinary course of business. All Inventory produced in the United States of America has been produced in compliance with the Fair Labor Standards Act.

(j) Each Grantor has exclusive possession and control of the Equipment, Fixtures, and Inventory pledged by it hereunder.

(k) Schedule 3 is a complete and correct list of all the issued and outstanding stock, partnership interests, limited liability company membership interests, or other equity interest of each Grantor and the record and beneficial owners of such stock, partnership interests, membership interests or other equity interests. Also set forth on Schedule 3 is each equity investment of each Grantor that represents 50% or less of the equity of the entity in which such investment was made.

(l) Schedule 4 is a complete and correct list of all promissory notes and other evidence of indebtedness held by each Grantor, including all intercompany notes between each Grantor and each Subsidiary, and each Subsidiary and each other Subsidiary.

(m) Schedule 5(a) is a complete and correct list of each state registered Trademark, Patent and Copyright, and each state Trademark, Patent and Copyright application in which each Grantor has any interest (whether as owner, licensee, or otherwise).

(n) Schedule 5(b) is a complete and correct list of each Patent in which each Grantor has any interest (whether as owner, licensee, or otherwise), including the name of the registered owner, the nature of Grantor's interest, the Patent registration number, the date of Patent issuance, and the country issuing the Patent.

(o) Schedule 5(c) is a complete and correct list of each Patent application in which each Grantor has any interest (whether as owner, licensee, or otherwise), including the name of the Person applying to be the registered owner, the nature of each Grantor's interest, the Patent application number, the date of Patent filing, and the country with which the Patent application was filed.

(p) Schedule 5(d) is a complete and correct list of each Trademark in which each Grantor has any interest (whether as owner, licensee, or otherwise), including the name of the registered owner, the nature of each Grantor's interest, the registered Trademark, the Trademark registration number, the international class covered, the goods and services covered, the date of Trademark registration, and the country registering the Trademark.

(q) Schedule 5(e) is a complete and correct list of each Trademark application in which each Grantor has any interest (whether as owner, licensee, or otherwise), including the name of the Person applying to be the registered owner, the nature of each Grantor's interest, the Trademark the subject of the application, the Trademark application serial number, the international class covered, the goods and services covered, the date of Trademark application filing, and the country with which the Trademark application was filed.

(r) Schedule 5(f) is a complete and correct list of each Copyright in which each Grantor has any interest (whether as owner, licensee, or otherwise), including the name of the registered owner, the nature of Grantor's interest, the registered Copyright, the date of Copyright issuance, and the country issuing the Copyright.

(s) Schedule 5(g) is a complete and correct list of each Copyright application in which each Grantor has any interest (whether as owner, licensee, or otherwise), including the name of the Person applying to be the registered owner, the nature of each Grantor's interest, the Copyright the subject of the application, the date of Copyright application filing, and the country with which the Copyright application was filed.

(t) Schedule 5(h) is a complete and correct list of all Trade Secrets in which each Grantor has any interest (whether as owner, licensee, or otherwise).

(u) Schedule 5(i) is a complete and correct list of all allegations of use under Section 1(c) or 1(d) of the Trademark Act (15 U.S.C. §1051, *et seq.*) filed by each Grantor.

(v) Schedule 6 is a complete and correct list of all Software in which each Grantor has any interest (whether as owner, licensee, or otherwise), including the name of the licensor and the escrow agent under the applicable Software escrow agreement (if any).

(w) Schedule 7 is a complete and correct list of all Commercial Tort Claims in which each Grantor has any interest, including the complete case name or style, the case number, and the court or other tribunal in which the case is pending.

(x) Schedule 8 is a complete and correct list of all Deposit Accounts maintained by or in which each Grantor has any interest and correctly describes the bank in which such account is maintained (including the specific branch), the street address (including the specific branch) and ABA number of such bank, the account number, and account type.

(y) Schedule 9 is a complete and correct list of all Commodity Accounts in which each Grantor has any interest, including the complete name and identification number of the account, a description of the governing agreement, and the name and street address of the Commodity Intermediary maintaining the account.

(z) Schedule 10 is a complete and correct list of all Securities Accounts in which each Grantor has any interest, including the complete name and identification number of the account, a description of the governing agreement, and the name and street address of the Securities Intermediary maintaining the account.

(aa) Schedule 11 is a complete and correct list of all letters of credit in which each Grantor has any interest (other than solely as an applicant) and correctly describes the bank which issued the letter of credit, and the letter of credit's number, issue date, expiry, and face amount.

(bb) Except as set forth on Schedule 12, no consent of any other Person and no authorization, approval or other action by, and no notice to or filing with, any Governmental Authority is required (i) for the pledge by each Grantor of the Collateral pledged by it hereunder, for the grant by each Grantor of the security interest granted hereby, or for the execution, delivery, or performance of this Agreement by each Grantor, (ii) for the perfection or maintenance of the pledge, assignment, and security interest created hereby (including the first priority nature of such pledge, assignment, and security interest) or (iii) for the enforcement of remedies by Administrative Agent or Secured Parties.

(cc) Each Grantor possesses all Permits required for the operation of its business. Schedule 13 is a complete and correct description of all of such Permits. All Permits of each Grantor have been duly authorized and obtained, and are in full force and effect, and each Grantor is in compliance in all material respects with all provisions thereof. No Permit is the subject of any pending or, to each Grantor's best knowledge, threatened challenge or revocation.

(dd) Schedule 14 is a complete and correct list of all insurance policies owned by each Grantor, or for which each Grantor is a named insured, additional insured, loss payee, or beneficiary.

ARTICLE IV

COVENANTS

4.1. *Further Assurances.*

(a) Each Grantor will, from time to time and at each Grantor's expense, promptly execute and deliver all further instruments and documents (including the delivery of certificated securities and supplements to all schedules), execute and file such financing or continuation statements, or amendments thereto, and such other instruments or notices, as may be reasonably necessary or desirable, or as Administrative Agent may request, in order to perfect and preserve the pledge, assignment, and security interest granted or purported to be granted hereby, and take all further action, that may be reasonably necessary or desirable, or that Administrative Agent may reasonably request, in order to perfect and protect any pledge, assignment, or security interest granted or purported to be granted hereby, and the priority thereof, or to enable Administrative Agent to exercise and enforce Administrative Agent's and Secured Lenders' rights and remedies hereunder with respect to any Collateral.

(b) In addition to such other information as shall be specifically provided for herein, each Grantor shall furnish to Administrative Agent such other information with respect to the Collateral as Administrative Agent may reasonably request.

(c) Each Grantor authorizes Administrative Agent to file one or more financing or continuation statements, and amendments thereto, relating to all or any part of the Collateral without the authentication of any Grantor where permitted by Law. A photocopy or other reproduction of this Agreement or any financing statement covering the Collateral or any part thereof shall be sufficient as a financing statement where permitted by Law. Each Grantor ratifies its execution and delivery of, and the filing of, any financing statement describing any of the Collateral which was filed prior to the date of this Agreement.

(d) Each Grantor shall pay promptly when due all Taxes, assessments, and governmental charges or levies imposed upon, and all claims (including claims for labor, materials, and supplies) against, the Collateral except such Taxes, assessments and governmental charges or levies as are being contested in good faith by appropriate proceedings for which adequate reserves have been established in accordance with GAAP.

(e) Each Grantor will not, and will not permit any Person to, revise, modify, amend, or restate the articles of incorporation of any corporation the stock or other interest in which is Pledged Stock or the partnership, joint venture, or other organizational document of any partnership or joint venture any interest in which is Pledged Stock in a manner that adversely affects the security interest of the Secured Party therein except as permitted by the Credit Agreement, or terminate, cancel, or dissolve any such Person except as permitted by the Credit Agreement.

(f) Each Grantor shall cooperate to determine what may or shall be required to satisfy the Laws or regulations throughout the world with respect to the recordation and validation of the license of Intellectual Property, or otherwise to render this Agreement and the Intellectual

Property effective, and shall execute all documents which may be necessary or desirable to implement this subsection, including registered user statements or other documents suitable for filing with the appropriate Governmental Authorities.

4.2. *Place of Perfection; Records; Collection of Accounts, Chattel Paper and Instruments.*

(a) No Grantor shall change the jurisdiction of its organization from the jurisdiction specified in Schedule 1, Section (a), its type of entity from the type of entity specified in Schedule 1, Section (a), or its name from the name specified in Schedule 1, Section (a). Each Grantor shall keep its chief executive office at the address specified in Section 2, Section (b), and the office where it keeps its records concerning the Accounts, and the originals of all Chattel Paper and Instruments, at the address specified in Section 2, Section (b). Each Grantor will hold and preserve such records and Chattel Paper and Instruments and will permit representatives of Administrative Agent at any time during normal business hours to inspect and make abstracts from and copies of such records and Chattel Paper and Instruments.

(b) Except as otherwise provided in this Section 4.2(b), each Grantor shall continue to collect, at its own expense, all amounts due or to become due each Grantor under the Accounts, Chattel Paper, and Instruments. In connection with such collections, each Grantor may take (and, at Administrative Agent's direction, shall take) such action as each such Grantor or Administrative Agent may deem necessary or advisable to enforce collection of the Accounts, Chattel Paper, and Instruments; provided, however, that Administrative Agent shall have the right, if an Event of Default exists and is continuing, without notice to any Grantor, to notify the Account Debtors or obligors under any Accounts, Chattel Paper, and Instruments of the assignment of such Accounts, Chattel Paper, and Instruments to Administrative Agent and to direct such Account Debtors or obligors to make payment of all amounts due or to become due to each Grantor thereunder directly to Administrative Agent and, at the expense of each Grantor, to enforce collection of any such Accounts, Chattel Paper, and Instruments, and to adjust, settle or compromise the amount or payment thereof, in the same manner and to the same extent as each Grantor might have done or as Administrative Agent deems appropriate. If any Event of Default has occurred and is continuing and upon notice to the Borrower and the applicable Grantor, all amounts and proceeds (including Instruments) received by each Grantor in respect of the Accounts, Chattel Paper, and Instruments shall be received in trust for the benefit of Administrative Agent hereunder, shall be segregated from other funds and property of each Grantor and shall be forthwith paid or delivered over to Administrative Agent in the same form as so received (with any necessary indorsement) to be held as cash collateral, thereafter to be applied as provided in the Credit Agreement. Each Grantor shall not adjust, settle, or compromise the amount or payment of any Account, Chattel Paper, or Instrument, release wholly or partly any Account Debtor or obligor thereof, or allow any credit or discount thereon, except in the ordinary course of business.

4.3. *Chattel Paper and Instruments.* (a) Upon written request by Administrative Agent, Grantor will: (i) mark conspicuously each Tangible Chattel Paper and each of its Records pertaining to the Collateral with the following legend:

THIS *[INSTRUMENT]*[OTHER RECORD]* IS SUBJECT TO THE SECURITY

INTEREST AND LIEN PURSUANT TO THE RESTATED SECURITY AGREEMENT DATED SEPTEMBER 25, 2002 (AS THE SAME MAY BE MODIFIED OR RESTATED) MADE BY *[GRANTOR]*, IN FAVOR OF BANK OF AMERICA, N.A., AS ADMINISTRATIVE AGENT FOR CERTAIN LENDERS, AND PURSUANT TO THE CREDIT AGREEMENT DATED AS OF SEPTEMBER 25, 2002 (AS THE SAME MAY BE MODIFIED OR RESTATED).

or such other legend, in form and substance satisfactory to and as specified by Administrative Agent, indicating that such Tangible Chattel Paper or Collateral is subject to the pledge, assignment, and security interest granted hereby; and (ii) if any Collateral shall be or be evidenced by a promissory note or other Instrument or be Tangible Chattel Paper, deliver and pledge to Administrative Agent hereunder such note, Instrument, or Chattel Paper duly indorsed and accompanied by duly executed instruments of transfer or assignment, all in form and substance satisfactory to Administrative Agent.

(b) Upon written request of Administrative Agent, each Grantor will take all actions necessary to establish in Administrative Agent control (as that term is defined in the UCC) with respect to all Electronic Chattel Paper.

4.4. *Deposit Accounts, Commodity Accounts, Securities Accounts and Letter-of-Credit Rights.* Each Grantor shall provide prior written notice that it intends to establish or maintain any (a) Deposit Account or similar bank account not listed on Schedule 8, (b) Commodity Account not listed on Schedule 9, or (c) Securities Account not listed on Schedule 10, and each Grantor shall execute and deliver to Administrative Agent assignments of such account in such form as Administrative Agent may reasonably request, and the bank, Commodity Intermediary, or Securities Intermediary, as appropriate, in which such account will be maintained and deliver to Administrative Agent acknowledgments of the assignment of such account in form and substance satisfactory to Administrative Agent, and take all actions necessary to establish in Administrative Agent control (as that term is defined in the UCC) with respect to such Deposit Account, Commodity Account, or Securities Account. Upon reasonable written request by Administrative Agent, each Grantor will take all actions necessary to establish in Administrative Agent control (as that term is defined in the UCC) with respect to each Deposit Account, Commodity Account, Securities Account, and Letter-of-Credit Right. Each Grantor shall not obtain or maintain any interest in any Commodity Contract other than Commodity Contracts held in and subject to a Commodity Account with respect to which each Grantor has complied with this Section 4.4. Each Grantor shall not obtain or maintain any interest in any Securities Entitlement other than Securities Entitlements held in and subject to a Securities Account with respect to which each Grantor has complied with this Section 4.4.

4.5. *Equipment, Fixtures, and Inventory.*

(a) Each Grantor shall keep its Equipment, Fixtures, and Inventory (other than Inventory sold in the ordinary course of business) at the addresses specified in Schedule 2 or, upon thirty days' prior written notice to Administrative Agent, at such other places in such jurisdiction where all action required by Section 4.1 shall have been taken with respect to the Equipment, Fixtures, and Inventory.

(b) Each Grantor shall cause its Equipment and Fixtures to be maintained and preserved in the same condition, repair, and working order as when new, ordinary wear and tear excepted, and shall forthwith, or in the case of any loss or damage to any of the Equipment and Fixtures as quickly as practicable after the occurrence thereof, make or cause to be made all repairs, replacements, and other improvements in connection therewith which are necessary or desirable to such end except where the failure to do so could not reasonably be expected to have a Material Adverse Effect.

(c) Each Grantor shall comply with, and shall cause its licensees and subcontractors to comply with, all requirements of the Fair Labor Standards Act.

4.6. *Patents, Trademarks, and Copyrights.*

(a) Each Grantor shall ensure that an acknowledgment (approved in form and substance by Administrative Agent) containing a description of all Collateral consisting of Intellectual Property shall have been received and recorded by the United States Patent and Trademark Office within three months after the execution of this Agreement with respect to United States Patents and Trademarks and by the United States Copyright Office within one month after the execution of this Agreement with respect to United States registered Copyrights pursuant to 35 U.S.C. § 261, 15 U.S.C. § 1060 or 17 U.S.C. § 205, and otherwise as may be required pursuant to the Laws of any other necessary jurisdiction, to protect the validity of and to establish a legal, valid, and perfected security interest in favor of Secured Party in respect of all Collateral consisting of Patents, Trademarks, and Copyrights in which a security interest may be perfected by filing, recording, or registration in the United States and its territories and possessions, or in any other necessary jurisdiction, and no further or subsequent filing, refileing, recording, rerecording, registration, or reregistration is necessary (other than such actions as are necessary to perfect the security interest with respect to any Collateral consisting of Patents, Trademarks, and Copyrights (or registration or application for registration thereof) acquired or developed after the date hereof).

(b) Each Grantor (either itself or through licensees or sublicensees) will not do any act, or omit to do any act, whereby any Patent may become invalidated or dedicated to the public unless Grantor shall reasonably determine that such Patent is in no way material to the conduct of its business or operations, and shall continue to mark any products covered by a Patent with the relevant patent number as necessary and sufficient to establish and preserve its maximum rights under applicable Laws unless Grantor shall reasonably determine that such Patent is in no way material to the conduct of its business or operations.

(c) Each Grantor (either itself or through licensees or sublicensees) will, for each Trademark, (i) maintain such Trademark in full force free from any claim of abandonment or invalidity for non-use, except to the extent that the failure to so maintain such Trademark would not have a Material Adverse Effect; (ii) maintain the quality of products and services offered under such Trademark, unless Grantor shall reasonably determine that such Trademark is in no way material to the conduct of its business or operations, (iii) display such Trademark with notice of United States federal or foreign registration to the extent necessary and sufficient to establish and preserve its maximum rights under applicable Law, unless Grantor shall reasonably determine that such Trademark is in no way material to the conduct of its business or operations,

and (iv) not use or permit the use of such Trademark in violation of any third party rights, unless Grantor shall reasonably determine that such Trademark is in no way material to the conduct of its business or operations.

(d) Each Grantor (either itself or through licensees or sublicensees) will, for each work covered by a Copyright, continue to publish, reproduce, display, adopt, and distribute the work with appropriate copyright notice as necessary and sufficient to establish and preserve its maximum rights under applicable Laws.

(e) Each Grantor shall notify Administrative Agent immediately if it knows or has reason to know that any Patent, Trademark, or Copyright may become abandoned, lost, or dedicated to the public, or of any adverse determination or development (including the institution of, or any such determination or development in, any proceeding in the United States Patent and Trademark Office, United States Copyright Office, or any Governmental Authority in any jurisdiction) regarding Grantor's ownership of any Patent, Trademark, or Copyright, its right to register the same, or to keep and maintain the same, except to the extent that the abandonment, loss, or dedication to the public, or any adverse determination or development regarding Grantor's ownership of any Trademark, its right to register the same, or to keep and maintain the same, could not be reasonably expected to have a Material Adverse Effect.

(f) In no event shall each Grantor, either itself or through any agent, employee, licensee, or designee, file an application for any Patent, Trademark, or Copyright (or for the registration of any Trademark or Copyright) with the United States Patent and Trademark Office, United States Copyright Office, or any Governmental Authority in any jurisdiction, unless it informs Administrative Agent within 5 business days of such filing, and, upon request of Administrative Agent, executes and delivers any and all agreements, instruments, documents, and papers as Administrative Agent may request to evidence Administrative Agent's and Secured Parties' security interest in such Patent, Trademark, or Copyright, and each Grantor hereby appoints Administrative Agent as its attorney-in-fact to execute and file such writings for the foregoing purposes.

(g) Each Grantor will take all necessary steps that are consistent with the practice in any proceeding before the United States Patent and Trademark Office, United States Copyright Office, or any Governmental Authority in any jurisdiction, to maintain and pursue each application relating to the Patents, Trademarks, and/or Copyrights (and to obtain the relevant grant or registration), and to maintain each issued Patent and each registration of the Trademarks and Copyrights, including timely filings of applications for renewal, affidavits of use, affidavits of incontestability and payment of maintenance fees, and, if consistent with good business judgment, to initiate opposition, interference, and cancellation proceedings against third parties.

(h) If any Grantor has reason to believe that any Collateral consisting of a Patent, Trademark, or Copyright has been or is about to be infringed, misappropriated, or diluted by a third party, each such Grantor promptly shall notify Administrative Agent and shall, if consistent with good business judgment, unless such Grantor shall reasonably determine that such Patent, Trademark or Copyright is in no way material to the conduct of its business or operations, promptly sue for infringement, misappropriation, or dilution and to recover any and all damages

for such infringement, misappropriation, or dilution, and take such other actions as are appropriate under the circumstances to protect such Collateral.

(i) If an Event of Default exists, each Grantor shall use its best efforts to obtain all requisite consents or approvals by the licensor of each Copyright License, Patent License, or Trademark License to effect the assignment of all of each Grantor's right, title, and interest thereunder to Administrative Agent or its designee.

(j) In no event shall any Grantor acquire or purchase any Patent, Trademark, or Copyright unless it informs Administrative Agent within 5 business days of such purchase or acquisition, and, upon request of Administrative Agent, executes and delivers any and all agreements, instruments, documents, and papers as Administrative Agent may request to evidence Administrative Agent's and Secured Parties' security interest in such purchased or acquired Patent, Trademark, or Copyright. Each Grantor hereby appoints Administrative Agent as its attorney-in-fact to execute and file any application for any Patent, Trademark, or Copyright (or for the registration of any Trademark or Copyright) with the United States Patent and Trademark Office, United States Copyright Office, or any Governmental Authority in any jurisdiction, in connection with such purchase or acquisition of any Patent, Trademark, or Copyright.

(k) The parties acknowledge and agree that the Intellectual Property is the sole and exclusive property of Grantor, subject to the terms and conditions stated in this Agreement. Other than in connection with any security interest in the Intellectual Property that Grantor has granted to Secured Party, or any rights and remedies of Secured Lenders under Laws, Administrative Agent shall not challenge Grantor's ownership of the Intellectual Property. Grantor expressly retains all rights, prior to the occurrence of an Event of Default, to license third parties to use the Intellectual Property for any purpose whatsoever not in violation of the Loan Documents and which are not exclusive as to prevent Administrative Agent from using any of the Intellectual Property.

(l) The license granted to Administrative Agent hereunder shall include the right of Administrative Agent to grant sublicenses to others to use the Intellectual Property if an Event of Default exists, and to enable such sublicensees to exercise any rights and remedies of Secured Lenders with respect to the Collateral, as Administrative Agent reasonably deems necessary or appropriate in the exercise of the rights and remedies of Secured Lenders. In any country where sublicenses are incapable of registration or where registration of a sublicense will not satisfactorily protect the rights of Grantor and Administrative Agent, Administrative Agent shall also have the right to designate other parties as direct licensees of Grantor to use the Intellectual Property if an Event of Default exists and to enable such direct licensees to exercise any rights and remedies of Secured Lenders as such licensees reasonably deem necessary or appropriate and Grantor agrees to enter into direct written licenses with the parties as designated on the same terms as would be applicable to a sublicense, and any such direct license may, depending on the relevant local requirements, be either (a) *in lieu* of a sublicense or (b) supplemental to a sublicense. In either case, the parties hereto shall cooperate to determine what shall be necessary or appropriate in the circumstances. For each sublicense to a sublicensee and direct license to a licensee, Grantor appoints Administrative Agent its agent for the purpose of exercising quality control over the sublicensee. Grantor shall execute this Agreement in any form, content and

language suitable for recordation, notice and/or registration in all available and appropriate agencies of foreign countries as Administrative Agent may require.

(m) In connection with the assignment or other transfer (in whole or in part) of its obligations to any other Person, Administrative Agent may assign the license granted herein without Grantor's consent and upon such assignment or transfer such other Person shall thereupon become vested with all rights and benefits in respect thereof granted to Administrative Agent under this Agreement (to the extent of such assignment or transfer).

(n) The parties hereto shall take reasonable action to preserve the confidentiality of the Intellectual Property; provided, that Administrative Agent shall not have any liability to any Person for any disclosure of the Intellectual Property upon and after any realization upon Collateral.

4.7. *Rights to Dividends and Distributions.* With respect to any certificates, bonds, or other Instruments or Securities constituting a part of the Collateral, Administrative Agent shall have authority if an Event of Default exists and is continuing, either to have the same registered in Administrative Agent's name or in the name of a nominee, and, with or without such registration, to demand of the issuer thereof, and to receive and receipt for, any and all dividends (including any stock or similar dividend or distribution) payable in respect thereof, whether they be ordinary or extraordinary. If each Grantor shall become entitled to receive or shall receive any interest in or certificate (including, without limitation, any interest in or certificate representing a dividend or a distribution in connection with any reclassification, increase, or reduction of capital, or issued in connection with any reorganization), or any option or rights arising from or relating to any of the Collateral, whether as an addition to, in substitution of, as a conversion of, or in exchange for any of the Collateral, or otherwise, each Grantor agrees to accept the same as Administrative Agent's agent and to hold the same in trust on behalf of and for the benefit of Administrative Agent, and to deliver the same immediately to Administrative Agent in the exact form received, with appropriate undated stock or similar powers, duly executed in blank, to be held by Administrative Agent, subject to the terms hereof, as Collateral. Unless an Event of Default exists, each Grantor shall be entitled to receive all cash dividends and distributions paid in respect of any of the Collateral (subject to the restrictions of any other Loan Document). Administrative Agent shall be entitled to all dividends and distributions, and to any sums paid upon or in respect of any Collateral, upon the liquidation, dissolution, or reorganization of the issuer thereof which shall be paid to Administrative Agent to be held by it as additional collateral security for and application to the Obligations at the discretion of Administrative Agent. All dividends paid or distributed in respect of the Collateral which are received by any Grantor in violation of this Agreement shall, until paid or delivered to Administrative Agent, be held by each Grantor in trust as additional Collateral for the Obligations.

4.8. *Right of Administrative Agent to Notify Issuers.* If an Event of Default exists and is continuing and at such other times as Administrative Agent is entitled to receive dividends and other property in respect of or consisting of any Collateral which is or represents an equity or ownership interest in any Person ("*Securities Collateral*"), Administrative Agent may notify issuers of the Securities Collateral to make payments of all dividends and distributions directly to Administrative Agent and Administrative Agent may take control of all proceeds of any

Securities Collateral. Until Administrative Agent elects to exercise such rights, if an Event of Default exists, each Grantor, as agent of Administrative Agent, shall collect and segregate all dividends and other amounts paid or distributed with respect to the Securities Collateral.

4.9. *Insurance.* Each Grantor shall, at its own expense, maintain insurance in accordance with the terms set forth in Credit Agreement. All such policies of insurance insuring the Equipment and Inventory shall be written for the benefit of Administrative Agent for itself and the Secured Parties and each Grantor, as their interests may appear, and shall provide for at least thirty Business Days' prior written notice of cancellation to Administrative Agent. Upon reasonable request by Administrative Agent, each Grantor shall promptly furnish to Administrative Agent evidence of such insurance in form and content satisfactory to Administrative Agent. If each Grantor fails to perform or observe any applicable covenants as to insurance, Administrative Agent may at its option obtain insurance on only Secured Lenders' interest in the Equipment and Inventory, any premium thereby paid by Administrative Agent to become part of the Obligations, bear interest prior to the existence of an Event of Default, at the then applicable Base Rate, and during the existence of an Event of Default, at the Highest Lawful Rate. If Administrative Agent maintains such substitute insurance, the premium for such insurance shall be due on demand and payable by each Grantor to Administrative Agent. Each Grantor grants and appoints Administrative Agent its attorney-in-fact to, if an Event of Default exists, endorse any check or draft that may be payable to each such Grantor in order to collect any payments in respect of insurance, including any refunds of unearned premiums in connection with any cancellation, adjustment, or termination of any policy of insurance. Any such sums collected by Administrative Agent shall be credited, except to the extent applied to the purchase by Administrative Agent of similar insurance, to any amounts then owing on the Obligations in accordance with the Credit Agreement.

4.10. *Transfers and Other Liens.* Each Grantor shall not (a) sell, assign (by operation of Law or otherwise) or otherwise dispose of, or grant any option with respect to, any of the Collateral, except as permitted under the Credit Agreement and the other Loan Documents, or (b) create or permit to exist any Lien, option, or other charge or encumbrance upon or with respect to any of the Collateral, except for the security interest under this Agreement (and except as provided for in the Credit Agreement and Original Collateral Documents).

4.11. *Administrative Agent Appointed Attorney-in-Fact.* Each Grantor hereby irrevocably appoints Administrative Agent Grantor's attorney-in-fact, with full authority in the place and stead of each Grantor and in the name of each Grantor or otherwise to take any action and to execute any instrument which Administrative Agent may deem reasonably necessary or advisable to accomplish the purposes of this Agreement, including, without limitation (provided that the actions listed in each clause below other than the obtainment and adjustment of insurance may only be taken or exercised if an Event of Default exists):

(a) to obtain and adjust insurance required to be paid to Administrative Agent pursuant to Section 4.9;

(b) to ask, demand, collect, sue for, recover, compromise, receive, and give acquittance and receipts for moneys due and to become due under or in connection with the Collateral;

(c) to receive, indorse, and collect any drafts or other Instruments, Documents, and Chattel Paper, in connection therewith; and

(d) to file any claims or take any action or institute any proceedings which Administrative Agent may deem necessary or desirable for the collection of any of the Collateral or otherwise to enforce compliance with the terms and conditions of any Collateral or the rights of Administrative Agent with respect to any of the Collateral. **EACH GRANTOR HEREBY IRREVOCABLY GRANTS TO ADMINISTRATIVE AGENT EACH SUCH GRANTOR'S PROXY (EXERCISABLE IF AN EVENT OF DEFAULT EXISTS) TO VOTE ANY SECURITIES COLLATERAL AND APPOINTS ADMINISTRATIVE AGENT EACH SUCH GRANTOR'S ATTORNEY-IN-FACT TO PERFORM ALL OBLIGATIONS OF GRANTOR UNDER THIS AGREEMENT AND TO EXERCISE ALL OF ADMINISTRATIVE AGENT'S AND EACH OTHER SECURED PARTY'S RIGHTS HEREUNDER. THE PROXY AND EACH POWER OF ATTORNEY HEREIN GRANTED, AND EACH STOCK POWER AND SIMILAR POWER NOW OR HEREAFTER GRANTED (INCLUDING ANY EVIDENCED BY A SEPARATE WRITING), ARE COUPLED WITH AN INTEREST AND ARE IRREVOCABLE PRIOR TO FINAL PAYMENT IN FULL OF THE OBLIGATIONS.**

ARTICLE V

RIGHTS AND POWERS OF SECURED PARTIES.

5.1. *Administrative Agent May Perform.* If any Grantor fails to perform any agreement contained herein, Administrative Agent may itself perform, or cause performance of, such agreement, and the reasonable expenses of Administrative Agent incurred in connection therewith shall be payable by each such Grantor under Section 5.6.

5.2. *Administrative Agent's Duties.* The powers conferred on Administrative Agent hereunder are solely to protect Secured Lenders' interest in the Collateral and shall not impose any duty upon it to exercise any such powers. Except for the safe custody of any Collateral in its possession and the accounting for moneys actually received by Secured Lenders hereunder, neither Administrative Agent nor any other Secured Lender shall have any duty as to any Collateral, as to ascertaining or taking action with respect to calls, conversions, exchanges, maturities, tenders, or other matters relative to any Collateral, whether or not Administrative Agent or any other Secured Lender has or is deemed to have knowledge of such matters, or as to the taking of any necessary steps to preserve rights against prior parties or any other rights pertaining to any reasonable care in the custody and preservation of any Collateral in its possession if such Collateral is accorded treatment substantially equal to that which Administrative Agent accords its own property. Except as provided in this Section 5.2, neither Administrative Agent nor any other Secured Lender shall have any duty or liability to protect or preserve any Collateral or to preserve rights pertaining thereto. Nothing contained in this Agreement shall be construed as requiring or obligating Administrative Agent or any other Secured Lender, and neither Administrative Agent nor any other Secured Lender shall be required or obligated, to (a) present or file any claim or notice or take any action, with respect to any Collateral or in connection therewith or (b) notify any Grantor of any decline in the value of any Collateral.

5.3. *Remedies.* If an Event of Default exists:

(a) Administrative Agent may exercise in respect of the Collateral, in addition to other rights and remedies provided for herein or otherwise available to it or any other Secured Lender pursuant to any applicable Law, all the rights and remedies of a secured party on default under the Uniform Commercial Code in effect in the State of Texas at that time (whether or not the Uniform Commercial Code applies to the affected Collateral), and also may require each Grantor to, and each Grantor will at its expense and upon request of Administrative Agent forthwith, assemble all or part of the Collateral as directed by Administrative Agent and make it available to Administrative Agent at a place to be designated by Administrative Agent which is reasonably convenient to both parties at public or private sale, at any of Administrative Agent's offices or elsewhere, for cash, on credit or for future delivery, and upon such other terms as Administrative Agent may deem commercially reasonable. Each Grantor agrees that, to the extent notice of sale shall be required by Law, ten days' notice to each Grantor of the time and place of any public sale or the time after which any private sale is to be made shall constitute reasonable notification. Administrative Agent shall not be obligated to make any sale of Collateral regardless of notice of sale having been given. Administrative Agent may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned.

(b) All cash proceeds received by Administrative Agent upon any sale of, collection of, or other realization upon, all or any part of the Collateral shall be applied as set forth in Section 8.03 of the Credit Agreement.

(c) All payments received by each Grantor under or in connection with any Collateral shall be received in trust for the benefit of Administrative Agent, shall be segregated from other funds of each such Grantor, and shall be forthwith paid over to Administrative Agent in the same form as so received (with any necessary indorsement).

(d) Because of the Securities Act of 1933, as amended ("*Securities Act*"), and other Laws, including without limitation state "blue sky" Laws, or contractual restrictions or agreements, there may be legal restrictions or limitations affecting Administrative Agent in any attempts to dispose of the Collateral and the enforcement of rights under this Agreement. For these reasons, Administrative Agent is authorized by each Grantor, but not obligated, if any Event of Default exists, to sell or otherwise dispose of any of the Collateral at private sale, subject to an investment letter, or in any other manner which will not require the Collateral, or any part thereof, to be registered in accordance with the Securities Act, or any other Law. Administrative Agent is also hereby authorized by each Grantor, but not obligated, to take such actions, give such notices, obtain such consents, and do such other things as Administrative Agent may deem required or appropriate under the Securities Act or other securities Laws or other Laws or contractual restrictions or agreements in the event of a sale or disposition of any Collateral. Each Grantor understands that Administrative Agent may in its discretion approach a restricted number of potential purchasers and that a sale under such circumstances may yield a lower price for the Collateral than would otherwise be obtainable if same were registered and/or sold in the open market. No sale so made in good faith by Administrative Agent shall be deemed to be not "commercially reasonable" because so made. Each Grantor agrees that if an Event of

Default exists, and Administrative Agent sells the Collateral or any portion thereof at any private sale or sales, Administrative Agent shall have the right to rely upon the advice and opinion of appraisers and other Persons, which appraisers and other Persons are acceptable to Administrative Agent, as to the best price reasonably obtainable upon such a private sale thereof. In the absence of actual fraud, such reliance shall be prima facie evidence that Administrative Agent and the other Secured Parties handled such matter in a commercially reasonable manner under applicable Law.

(e) If Administrative Agent shall determine to exercise Secured its right to sell any or all of the Collateral, and if in the opinion of counsel for Administrative Agent it is necessary, or if in the reasonable opinion of Administrative Agent it is advisable, to have the Collateral or that portion thereof to be sold, registered under the provisions of the Securities Act, each Grantor will, to the fullest extent it has the capability to do so, cause the issuers of the Collateral contemplated to be sold to execute and deliver, and cause the directors and officers of each thereof to execute and deliver, all at Grantor's expense, all such instruments and documents, and to do or cause to be done all such other acts and things, as may be necessary or, in the opinion of Administrative Agent, advisable to register the Collateral or that portion thereof to be sold, under the provisions of the Securities Act and to cause the registration statement relating thereto to become effective and to remain effective for such period as Administrative Agent may deem appropriate to facilitate the sale or other disposition of such Collateral from the date of the first public offering of the Collateral or that portion thereof to be sold, and to make all amendments thereto and/or to the related prospectus which, in the opinion of Administrative Agent, are necessary or advisable, all in conformity with the requirements of the Securities Act. Each Grantor shall use its best efforts to cause each issuer of Collateral to comply with the provisions of the securities or "blue sky" Laws of any jurisdiction which Administrative Agent shall designate and to cause each Issuer to make available to its security holders, as soon as practicable, an earnings statement which will satisfy the provisions of the Securities Act and applicable "blue sky" Laws.

(f) After notice to Grantor, Administrative Agent and such Persons as Administrative Agent may reasonably designate shall have the right, at Grantor's own cost and expense, to verify under reasonable procedures, the validity, amount, quality, quantity, value, condition, and status of, or any other matter relating to, the Collateral, including, in the case of Accounts or Collateral in the possession of any third person, by contacting Account Debtors or the third person possessing such Collateral for the purpose of making such a verification. Administrative Agent shall have the absolute right to share any information it gains from such inspection or verification with any Secured Party.

(g) For purposes of enabling Secured Lenders to exercise rights and remedies under this Agreement, each Grantor grants (to the extent not otherwise prohibited by a license with respect thereto) to Administrative Agent an irrevocable, nonexclusive license (exercisable without payment of royalty or other compensation to any Grantor or any other Person, provided, that if the license granted to Administrative Agent is a sublicense, each Grantor shall be solely responsible for, and indemnify Administrative Agent against, any royalty or other compensation payable to Grantor's licensor or other Person) to use all of Grantor's Software, and including in such license reasonable access to all media in which any of the licensed items may be recorded and all related manuals.

(h) For the purpose of enabling Secured Lenders to exercise rights and remedies under this Agreement, each Grantor grants (to the extent not otherwise prohibited by a license with respect thereto) to Administrative Agent an irrevocable, nonexclusive license (exercisable without payment of royalty or other compensation to any Grantor or any other Person) to use, license, or sub-license any of the Collateral consisting of Intellectual Property and wherever the same may be located, and including in such license reasonable access to all media in which any of the licensed items may be recorded or stored and to all Software used for the use, compilation, or printout thereof. In connection therewith, each Grantor shall execute and deliver a License Agreement to Administrative Agent to evidence the grant of such license. The use of such license by Administrative Agent shall be exercised, at the option of Administrative Agent, if an Event of Default exists; provided that any license, sub-license, or other transaction entered into by Administrative Agent in accordance herewith shall be binding upon each Grantor notwithstanding any subsequent cure of an Event of Default.

5.4. *Appointment of Receiver or Trustee.* In connection with the exercise of Secured Lenders' rights under this Agreement or any other Loan Document, Administrative Agent may, if an Event of Default exists resulting in the acceleration of the Obligations or following any Loan Party's failure to pay any of the Obligations at maturity, obtain the appointment of a receiver or trustee to assume, upon receipt of all necessary judicial or other Governmental Authority consents or approvals, control of or ownership of any Permits. Such receiver or trustee shall have all rights and powers provided to it by Law or by court order or provided to Administrative Agent under this Agreement or any other Loan Document. Upon the appointment of such trustee or receiver, each Grantor shall cooperate, to the extent necessary or appropriate, in the expeditious preparation, execution, and filing of an application to any Governmental Authority or for consent to the transfer of control or assignment of each Grantor's Permits to the receiver or trustee.

5.5. *Further Approvals Required.*

(a) In connection with the exercise by Administrative Agent of rights under this Agreement that affects the disposition of or use of any Collateral, it may be necessary to obtain the prior consent or approval of Governmental Authorities and other Persons to a transfer or assignment of Collateral. In connection with the exercise by Administrative Agent or any other Secured Party of its rights relating to the disposition of or operation under any Permit, it may be necessary to obtain the prior consent or approval of other Governmental Authority, or other Persons to the exercise of rights with respect to the Collateral. If an Event of Default exists, each Grantor shall execute, deliver, and file, and hereby appoints (to the extent not prohibited by Applicable Law) Administrative Agent as its attorney, to execute, deliver, and file on Grantor's behalf and in Grantor's name, all applications, certificates, filings, instruments, and other documents (including without limitation any application for an assignment or transfer of control or ownership) that may be necessary or appropriate, in Administrative Agent's opinion, to obtain such consents or approvals. Each Grantor shall use its best efforts to obtain such consents or approvals if a Default or Event of Default exists. Each Grantor acknowledges that there is no adequate remedy at law for failure by it to comply with the provisions of this Section 5.5(a) and that such failure would not be adequately compensable in damages, and therefore agrees that this Section 5.5(a) may be specifically enforced.

(b) Each Grantor shall, if an Event of Default exists, execute, deliver, and file, and hereby appoints Administrative Agent as its attorney-in-fact, to, if an Event of Default exists, execute, deliver, and file on Grantor's behalf and in Grantor's name, all applications, certificates, filings, instruments, and other documents (including without limitation any application for an assignment or transfer of control or ownership) that may be reasonably necessary or appropriate, in Administrative Agent's opinion, to obtain such consents, waivers, or approvals. Each Grantor shall use its best efforts to obtain the foregoing consents, waivers, and approvals, including receipt of consents, waivers, and approvals under applicable agreements prior to a Default or Event of Default. Each Grantor acknowledges that there is no adequate remedy at Law for failure by it to comply with the provisions of this Section 5.5(b) and that such failure would not be adequately compensable in damages, and therefore agrees that this Section 5.5(b) may be specifically enforced.

5.6. *INDEMNITY AND EXPENSES*

(a) **EACH GRANTOR SHALL INDEMNIFY (WHICH SHALL BE PAYABLE FROM TIME TO TIME ON DEMAND) SECURED PARTIES FROM AND AGAINST ANY AND ALL CLAIMS, LOSSES, AND LIABILITIES (INCLUDING REASONABLE ATTORNEYS' FEES) GROWING OUT OF OR RESULTING FROM THIS AGREEMENT (INCLUDING ENFORCEMENT OF THIS AGREEMENT), EXPRESSLY INCLUDING SUCH CLAIMS, LOSSES, OR LIABILITIES ARISING OUT OF MERE NEGLIGENCE OF ANY SECURED PARTY, EXCEPT CLAIMS, LOSSES, OR LIABILITIES RESULTING FROM ANY SECURED PARTY'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT.**

(b) **EACH GRANTOR WILL UPON DEMAND PAY TO EACH SECURED PARTY THE AMOUNT OF ANY AND ALL REASONABLE EXPENSES, INCLUDING THE REASONABLE FEES AND EXPENSES OF ITS COUNSEL AND OF ANY EXPERTS AND AGENTS, WHICH SUCH SECURED PARTY MAY INCUR IN CONNECTION WITH (I) THE ADMINISTRATION OF THIS AGREEMENT, (II) THE CUSTODY, PRESERVATION, USE OR OPERATION OF, OR THE SALE OF, COLLECTION FROM, OR OTHER REALIZATION UPON, ANY OF THE COLLATERAL, (III) THE EXERCISE OR ENFORCEMENT OF ANY OF THE RIGHTS OF ANY SECURED PARTY HEREUNDER, OR (IV) THE FAILURE BY GRANTOR TO PERFORM OR OBSERVE ANY OF THE PROVISIONS HEREOF.**

ARTICLE VI

MISCELLANEOUS

6.1. *Maximum Liability.* Anything in this Agreement to the contrary notwithstanding, the obligations of each Grantor (other than Borrower) hereunder shall be limited to a maximum aggregate amount equal to the largest amount that would not render its obligations hereunder subject to avoidance as a fraudulent transfer or conveyance under Section 548 of Title 11 of the United States Code or any applicable provisions of comparable Law (collectively, the "*Fraudulent Transfer Laws*"), in each case after giving effect to all other liabilities of each Grantor, contingent or otherwise, that are relevant under the Fraudulent Transfer Laws

(specifically excluding, however, any liabilities of each Grantor in respect of intercompany indebtedness to other Loan Parties or Affiliates of other Loan Parties to the extent that such indebtedness would be discharged in an amount equal to the amount paid or property conveyed by each Grantor under the Loan Documents) and after giving effect as assets, subject to Section 6.2, to the value (as determined under the applicable provisions of the Fraudulent Transfer Laws) of any rights to subrogation or contribution of each Grantor pursuant to (a) Applicable Law or (b) any agreement providing for an equitable allocation among each Grantor and other Loan Parties of obligations arising under the Loan Documents.

6.2. *Waiver of Subrogation.* Each Grantor shall not assert, enforce, or otherwise exercise (a) any right of subrogation to any of the rights or Liens of any Secured Lender or any other beneficiary against any other Loan Party or any Collateral or other security, or (b) any right of recourse, reimbursement, contribution, indemnification, or similar right against any other Loan Party on all or any part of the Obligations or any other Loan Party, and each Grantor hereby waives any and all of the foregoing rights and the benefit of, and any right to participate in, and Collateral or other security given to or for the benefit of any Secured Lender or any other beneficiary to secure payment of the Obligations. This Section 6.2 shall survive the termination of this Agreement, and any satisfaction and discharge of each Grantor by virtue of any payment, court order, or Law.

6.3. *Cumulative Rights.* All rights of Administrative Agent and each other Secured Lender under the Loan Documents are cumulative of each other and of every other right which Administrative Agent and each other Secured Lender may otherwise have at Law or in equity or under any other agreement. The exercise of one or more rights shall not prejudice or impair the concurrent or subsequent exercise of other rights.

6.4. *Amendments; Waivers.* Any term, covenant, agreement, or condition of this Agreement may be amended, and any right under this Agreement may be waived, if, but only if, such amendment or waiver is in writing and is signed by Administrative Agent and, in the case of an amendment, by each Grantor. Unless otherwise specified in such waiver, a waiver of any right under this Agreement shall be effective only in the specific instance and for the specific purpose for which given. No election not to exercise, failure to exercise or delay in exercising any right, nor any course of dealing or performance, shall operate as a waiver of any right of any Secured Lender under this Agreement or Applicable Law, nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right of any Secured Lender under this Agreement or Applicable Law.

6.5. *Continuing Security Interest.* This Agreement creates a continuing security interest in the Collateral and shall (a) remain in full force and effect until the later of (i) the Obligations are fully, indefeasibly, absolutely and unconditionally paid and (ii) the expiration of the obligation of all Secured Lenders to extend credit to each Grantor, (b) be binding upon each Grantor, its successors and assigns, and (c) inure to the benefit of, and be enforceable by, Administrative Agent and its successors, transferees and assigns. At such time as the Obligations are fully, indefeasibly, absolutely and unconditionally paid and all obligations of all Secured Lenders to extend credit to each Grantor have expired, Administrative Agent will, at Grantor's expense, execute and deliver to each Grantor such documents as each such Grantor shall reasonably request to evidence such payment. Each Grantor agrees that to the extent that

Administrative Agent or any other Secured Lender receives any payment or benefit and such payment or benefit, or any part thereof, is subsequently invalidated, declared to be fraudulent or preferential, set aside or is required to be repaid to a trustee, receiver, or any other Person under any Debtor Relief Law, common law or equitable cause, then to the extent of such payment or benefit, the Obligations or part thereof intended to be satisfied shall be revived and continued in full force and effect as if such payment or benefit had not been made and, further, any such repayment by Administrative Agent or any other Secured Lender, to the extent that Administrative Agent or any other Secured Lender did not directly receive a corresponding cash payment, shall be added to and be additional Obligations payable upon demand by Administrative Agent or any other Secured Lender and secured hereby, and, if the lien and security interest hereof shall have been released, such lien and security interest shall be reinstated with the same effect and priority as on the date of execution hereof all as if no release of such lien or security interest had ever occurred.

6.6. GOVERNING LAW; WAIVER OF JURY TRIAL; CONSENT TO JURISDICTION AND SERVICE OF PROCESS.

(a) THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF TEXAS APPLICABLE TO AGREEMENTS MADE AND TO BE PERFORMED ENTIRELY WITHIN SUCH STATE; PROVIDED THAT THE ADMINISTRATIVE AGENT AND EACH LENDER SHALL RETAIN ALL RIGHTS ARISING UNDER FEDERAL LAW.

(b) The parties hereto agree that Chapter 346 (other than Section 346.004) of the Texas Finance Code (which regulates certain revolving credit accounts and revolving tri-party accounts) shall not apply to the Loans or the other Obligations.

(c) ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT MAY BE BROUGHT IN THE COURTS OF THE STATE OF TEXAS SITTING IN DALLAS COUNTY, TEXAS OR OF THE UNITED STATES FOR THE NORTHERN DISTRICT OF TEXAS (DALLAS DIVISION), AND BY EXECUTION AND DELIVERY OF THIS AGREEMENT, THE GRANTOR, THE ADMINISTRATIVE AGENT AND EACH LENDER CONSENTS, FOR ITSELF AND IN RESPECT OF ITS PROPERTY, TO THE NON-EXCLUSIVE JURISDICTION OF THOSE COURTS. THE GRANTOR, THE ADMINISTRATIVE AGENT AND EACH LENDER IRREVOCABLY WAIVES ANY OBJECTION, INCLUDING ANY OBJECTION TO THE LAYING OF VENUE OR BASED ON THE GROUNDS OF *FORUM NON CONVENIENS*, WHICH IT MAY NOW OR HEREAFTER HAVE TO THE BRINGING OF ANY ACTION OR PROCEEDING IN SUCH JURISDICTION IN RESPECT OF ANY LOAN DOCUMENT OR OTHER DOCUMENT RELATED THERETO. THE GRANTOR, THE ADMINISTRATIVE AGENT AND EACH LENDER WAIVES PERSONAL SERVICE OF ANY SUMMONS, COMPLAINT OR OTHER PROCESS, WHICH MAY BE MADE BY ANY OTHER MEANS PERMITTED BY THE LAW OF SUCH STATE.

(d) Waiver of Jury Trial. EACH PARTY TO THIS AGREEMENT HEREBY EXPRESSLY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION ARISING UNDER ANY LOAN DOCUMENT OR IN

ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES HERETO OR ANY OF THEM WITH RESPECT TO ANY LOAN DOCUMENT, OR THE TRANSACTIONS RELATED THERETO, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER FOUNDED IN CONTRACT OR TORT OR OTHERWISE; AND EACH PARTY HEREBY AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY, AND THAT ANY PARTY TO THIS AGREEMENT MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE SIGNATORIES HERETO TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.

6.7. *Administrative Agent's Right to Use Agents.* Administrative Agent may exercise its rights under this Agreement through an agent or other designee.

6.8. *No Interference, Compensation or Expense.* Administrative Agent may exercise its rights under this Agreement (a) without resistance or interference by any Grantor and (b) without payment of any rent, license fee, or compensation of any kind to any Grantor.

6.9. *Waivers of Rights Inhibiting Enforcement.* Each Grantor waives (a) any claim that, as to any part of the Collateral, a public sale, should Administrative Agent elect so to proceed, is, in and of itself, not a commercially reasonable method of sale for such Collateral, (b) except as otherwise provided in this Agreement, **TO THE FULLEST EXTENT NOT PROHIBITED BY APPLICABLE LAW, NOTICE OR JUDICIAL HEARING IN CONNECTION WITH ADMINISTRATIVE AGENT'S DISPOSITION OF ANY OF THE COLLATERAL INCLUDING ANY AND ALL PRIOR NOTICE AND HEARING FOR ANY PREJUDGMENT REMEDY OR REMEDIES AND ANY SUCH RIGHT THAT EACH GRANTOR WOULD OTHERWISE HAVE UNDER THE CONSTITUTION OR ANY STATUTE OF THE UNITED STATES OR OF ANY STATE, AND ALL OTHER REQUIREMENTS AS TO THE TIME, PLACE AND TERMS OF SALE OR OTHER REQUIREMENTS WITH RESPECT TO THE ENFORCEMENT OF SECURED PARTIES' RIGHTS HEREUNDER** and (c) all rights of redemption, appraisalment or valuation.

6.10. *Obligations Not Affected.* To the fullest extent not prohibited by Applicable Law, the obligations of each Grantor under this Agreement shall remain in full force and effect without regard to, and shall not be impaired or affected by:

(a) any amendment, addition, or supplement to, or restatement of any Loan Document or any instrument delivered in connection therewith or any assignment or transfer thereof;

(b) any exercise, non-exercise, or waiver by Administrative Agent or any other Secured Lender of any right, remedy, power, or privilege under or in respect of, or any release of any guaranty, any collateral, or the Collateral or any part thereof provided pursuant to, this Agreement or any Loan Document;

(c) any waiver, consent, extension, indulgence, or other action or inaction in respect of this Agreement or any Loan Document or any assignment or transfer of any thereof;

(d) any bankruptcy, insolvency, reorganization, arrangement, readjustment, composition, liquidation, or the like of any Loan Party or any other Person, whether or not each Grantor shall have notice or knowledge of any of the foregoing; or

(e) any other event which may give a Grantor or any other Loan Party a defense to, or a discharge of, any of its obligations under any Loan Document.

6.11. *Notices and Deliveries.*

(a) *Manner of Delivery.* All notices, communications, and materials to be given or delivered pursuant to this Agreement shall, except in those cases where giving notice by telephone is expressly permitted, be given or delivered in writing. All written notices, communications, and materials shall be sent by registered or certified mail, postage prepaid, return receipt requested, by telecopier, or delivered by hand. In the event of a discrepancy between any telephonic notice and any written confirmation thereof, such written confirmation shall be deemed the effective notice except to the extent Administrative Agent or the Grantors have acted in reliance on such telephonic notice.

(b) *Addresses.* All notices, communications, and materials to be given or delivered pursuant to this Agreement shall be given or delivered at the following respective addresses and telecopier and telephone numbers and to the attention of the following individuals or departments:

- (i) if to Grantor at:
c/o The BMS Enterprises, Inc.
303 Arthur Street
Fort Worth, Texas 76107
Telephone: (817) 332-2776
Facsimile: (817) 334-3600
Attention: William G. Blackmon III

With a copy to:
The BMS Enterprises, Inc.
308 Arthur Street
Fort Worth, Texas 76107
Telephone: (817) 820-2920
Facsimile: (817) 332-6319
Attention: William L. Latham

- (ii) if to Administrative Agent, to it at:
Bank of America, N.A.
901 Main Street, 67th Floor
Dallas, Texas 75202

Telephone: (214) 209-1178
Facsimile: (214) 209-3140
Attention: Dan Penkar

or at such other address, telecopier or telephone number or to the attention of such other individual or department as the party to which such information pertains may hereafter specify in a notice to the other specifically captioned "Notice of Change of Address".

(c) *Effectiveness.* Each notice, communication and any material to be given or delivered to Administrative Agent or each Grantor pursuant to this Agreement shall be effective or deemed given or delivered upon the earlier to occur of (i) actual receipt by the relevant party hereto and (ii) (A) if delivered by hand or by courier, when signed for by or on behalf of the relevant party hereto; (B) if delivered by mail, four Business Days after deposit in the mails, postage prepaid; (C) if delivered by facsimile, when sent and receipt has been confirmed by telephone; and (D) if delivered by electronic mail when delivered. In no event shall a voicemail message be effective as a notice, communication or confirmation hereunder.

(d) *Severability.* If any provision of this Agreement is held to be illegal, invalid, or unenforceable under present or future Laws during the term thereof, such provision shall be fully severable, this Agreement shall be construed and enforced as if such illegal, invalid, or unenforceable provision had never comprised a part hereof, and the remaining provisions hereof shall remain in full force and effect and shall not be affected by the illegal, invalid, or unenforceable provision or by its severance herefrom. Furthermore, *in lieu* of such illegal, invalid, or unenforceable provision there shall be added automatically as a part of this Agreement a legal, valid, and enforceable provision as similar in terms to the illegal, invalid, or unenforceable provision as may be possible.

(e) *Successors and Assigns.* All of the provisions of this Agreement shall be binding and inure to the benefit of the parties hereto and their respective successors and assigns (including, as to each Grantor, all Persons who may become bound as a debtor or a new debtor to this Agreement); provided, each Grantor may not assign any of its rights or obligations under this Agreement.

(f) *Counterparts.* This Agreement may be executed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto were upon the same instrument.

(g) **ENTIRE AGREEMENT. THIS WRITTEN AGREEMENT, TOGETHER WITH THE OTHER LOAN PAPERS, REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS AMONG THE PARTIES.**

THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.

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

[GRANTOR]

By: _____
Its: _____

[GRANTOR]

By: _____
Its: _____

PLEDGE AGREEMENT

PLEDGE AGREEMENT dated as of September 25, 2002 (this "Agreement"), by William G. Blackmon, an individual resident of the State of Texas ("Pledgor"), in favor of Bank of America, N.A., in its capacity as Administrative Agent pursuant to the Credit Agreement described below ("Administrative Agent"), for (a) itself, (b) each lender a party to the Credit Agreement, (c) any Affiliate of any Lender or former Lender who is owed any portion of the Obligations on such date of determination in accordance with the terms of the Credit Agreement, and (d) the beneficiaries of each indemnification obligation undertaken by any Loan Party under any Loan Document (singly, a "Secured Party" and collectively "Secured Parties").

RECITAL:

A. Administrative Agent, Lenders and The BMS Enterprises, Inc., a Texas corporation ("Borrower"), have entered into the Credit Agreement dated as of September 25, 2002, (as the same may be supplemented, amended and modified from time to time, being the "Credit Agreement").

B. It is the intention of the parties hereto that this Agreement create a first priority security interest securing the payment of the obligations set forth in Section 1.02 hereof.

C. It is a condition precedent to the effectiveness of the Credit Agreement and the obligations of the Lenders to make Loans thereunder that Pledgor shall have executed and delivered this Agreement.

AGREEMENT.

NOW, THEREFORE, in consideration of the premises set forth herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and in order to induce Secured Parties to make the Loans under the Credit Agreement, Pledgor hereby agrees with Administrative Agent, for its benefit and the ratable benefit of Secured Parties, as follows:

ARTICLE I

PLEDGE

1.01. Pledge. Pledgor hereby grants, pledges, assigns, hypothecates, and transfers to Administrative Agent, for its benefit and the ratable benefit of Secured Parties, a first and prior pledge and security interest in and to all of Pledgor's now owned and hereafter acquired right, title and interest in and to:

(a) all Capital Stock and all other equity interests of Borrower, now or hereafter owned beneficially or of record by Pledgor (together with any certificate or instrument evidencing such interest), including, but not limited to the interests listed on Schedule 1, attached hereto and incorporated herein by reference, together with all Dividends, cash, instruments,

distributions and other property from time to time distributed in respect thereof, any subscription rights, warrants or obligations to acquire or sell any interest in Borrower, without affecting the obligation of Pledgor or Borrower under any agreement prohibiting such action, in the event of any consolidation or merger in which Borrower is not the surviving entity, or in the event of any sale, lease, transfer or other disposition of all or substantially all of the assets of Borrower, all Capital Stock, equity, partnership or other interest of the successor entity formed by or resulting from such consolidation or merger, or of the Person to which such sale, lease, transfer or other disposition shall have been made and all proceeds and products of the foregoing (collectively, "Collateral"), to secure the payment and performance in full of the Obligation (as defined below).

1.02. Description of Obligation. The security interest granted by Pledgor shall secure the payment and performance of any and all obligations now or hereafter existing of Pledgor, each Loan Party and any other Person (other than Secured Parties) under the Credit Agreement and the Loan Documents, including the "Obligations" as defined in the Credit Agreement, any extensions, modifications, substitutions, amendments and renewals thereof, whether for principal, interest, fees, premium, expenses, indemnification or otherwise (all such obligations of Pledgor, each Loan Party and each other Person being the "Obligation"). Without limiting the generality of the foregoing, this Agreement secures the payment of all amounts which constitute part of the Obligation and would be owed by Pledgor, each Loan Party and any other Person to Administrative Agent or any Secured Party under any Loan Document, but for the fact that they are unenforceable or not allowable due to the existence of a bankruptcy, reorganization or similar proceeding involving Pledgor, any Loan Party or any other Person (including all such amounts which would become due or would be secured but for the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding of Pledgor, Borrower, any of its Subsidiaries, or any other Person under any Debtor Relief Law.

ARTICLE II

REPRESENTATIONS AND WARRANTIES

2.01. Representations and Warranties Concerning Pledgor. Pledgor represents and warrants to Administrative Agent and each Secured Party that (a) the location where Pledgor keeps all of his records is located at: 2905 Alton Road, Ft. Worth, Texas 76109; (b) the Pledgor is an individual who resides at: 2905 Alton Road, Ft. Worth, Texas 76109; (c) no consent of any other Person and no authorization, approval or other action by, and no notice to or filing with, any Governmental Authority is required (i) for the pledge by Pledgor of the Collateral pledged by it hereunder, (ii) for the grant by Pledgor of the security interest granted hereby, (iii) for the execution, delivery or performance of this Agreement by Pledgor, (iv) for the perfection or maintenance of the pledge, assignment and security interest created hereby (including the first priority nature of such pledge, assignment and security interest), or (v) for the exercise by Administrative Agent of the rights provided for in this Agreement or the remedies in respect of the Collateral pursuant to this Agreement.

2.02. Representations and Warranties Concerning Collateral. Pledgor represents and warrants to Administrative Agent and each Secured Party that (a) Pledgor is the sole legal and beneficial owner of the Collateral pledged by it free and clear of any Lien, security interest,

option or other charge or encumbrance except for the security interest created by this Agreement; (b) no effective financing statement or other similar document used to perfect and preserve a security interest under the Laws of any jurisdiction covering all or any part of the Collateral is on file in any recording office, except such as may have been filed in favor of Administrative Agent relating to this Agreement; (c) the interests pledged hereunder are duly authorized, validly issued, fully paid, and non-assessable and were not issued in violation of the rights of any Person; (d) the pledge, assignment, and delivery of the Collateral hereunder, and filing of an appropriate financing statement, create a valid first and prior perfected security interest in the Collateral, securing the Obligation; (e) no unpaid capital call or dispute exists with respect to any of the Collateral; (f) none of the Collateral is subject to any buy-sell, voting trust, transfer restriction, preferential right to purchase or similar agreement or any option, warrant, put or call or similar agreement and (g) Schedule 2 is a complete and correct list of the exact name of Borrower, its jurisdiction of incorporation, its federal taxpayer identification number, the articles of incorporation and all amendments thereto (a complete and correct copy of which has been provided to Administrative Agent), the bylaws and all amendments thereto (a complete and correct copy of which has been provided to Administrative Agent) (and no other agreements govern the organization or operation of Borrower), and the authorized, issued and outstanding Capital Stock of Borrower. The delivery at any time by Pledgor to Administrative Agent of Collateral shall constitute a representation and warranty by Pledgor under this Agreement that, with respect to such Collateral, Pledgor is the sole legal and beneficial owner of the Collateral, and that the matters set forth in this Section 2.02 are true and correct with respect to such Collateral.

2.03. Representations and Warranties Concerning Benefit. Pledgor represents and warrants to Administrative Agent and each Secured Party that (a) the value of the consideration received and to be received by Pledgor is reasonably worth at least as much as the liability and obligation of Pledgor hereunder, and such liability and obligation may reasonably be expected to benefit Pledgor directly or indirectly; (b) Pledgor is familiar with, and has independently reviewed books and records regarding, the financial condition of Borrower and is familiar with the value of any and all Collateral intended to be created as security for the payment of the Obligation; however, Pledgor is not relying on such financial condition or the Collateral as an inducement to enter into this Agreement; and (c) none of Administrative Agent, any Secured Party or any other Person has made any representation, warranty or statement to Pledgor in order to induce Pledgor to execute this Agreement.

ARTICLE III

COVENANTS

3.01. Affirmative Covenants. Pledgor covenants and agrees (a) promptly to deliver to Administrative Agent all instruments, certificates, documents, or agreements evidencing any of the Collateral; (b) promptly to notify Administrative Agent of any change in any fact or circumstances warranted or represented by Pledgor in this Agreement or in any other writings furnished by Pledgor to Administrative Agent in connection with the Collateral; (c) promptly to notify Administrative Agent of any claim, action, or proceeding affecting Pledgor's title to the Collateral, or any part thereof, or the security interest therein granted hereunder, and, at the request of Administrative Agent, appear in and defend, at Pledgor's expense, any such action or

proceeding; and (d) promptly to pay to Administrative Agent the amount of all court costs and attorney's fees incurred by Secured Party hereunder.

3.02. Negative Covenants. Pledgor covenants and agrees that it shall not (a) create any other security interest or pledge in, mortgage or otherwise encumber the Collateral or any part thereof, or permit the same to be or become subject to any Lien, attachment, execution, sequestration, other legal or equitable process, or any encumbrance of any kind or character, or grant any option, warrant, or other rights in the Collateral in favor of any Person other than Administrative Agent; (b) except as permitted under the Credit Agreement or required pursuant to the Senior Subordinated Note Documents, cause or permit Borrower to authorize and issue any additional shares of Capital Stock, or take any other action that would otherwise dilute any of the Collateral; (c) approve any amendment to the articles of incorporation or bylaws of Borrower, other than amendments pursuant to the Senior Subordinated Note Documents, without the prior written consent of Administrative Agent; (d) permit the dissolution of Borrower; or (e) except as permitted in the Credit Agreement, sell, lease, transfer or otherwise dispose of any Collateral in any manner.

3.03. Rights to Dividends. With respect to any certificates, bonds, or other instruments or securities constituting a part of the Collateral, Administrative Agent shall have authority during the continuance of a Default, without notice to Pledgor, either to have the same registered in Administrative Agent's name or in the name of a nominee, and, with or without such registration, to demand of the issuer thereof, and to receive and receipt for, any and all Dividends (including any stock or similar dividend or distribution) payable in respect thereof, whether they be ordinary or extraordinary. If Pledgor shall become entitled to receive or shall receive any interest in or certificate (including, without limitation, any interest in or certificate representing a Dividend or a distribution in connection with any reclassification, increase, or reduction of capital, or issued in connection with any reorganization), or any option or rights arising from or relating to any of the Collateral, whether as an addition to, in substitution of, as a conversion of, or in exchange for any of the Collateral, or otherwise, Pledgor agrees to accept the same as Administrative Agent's agent and to hold the same in trust on behalf of and for the benefit of Administrative Agent, and to deliver the same immediately to Administrative Agent in the exact form received, with appropriate undated stock or similar powers, duly executed in blank, to be held by Administrative Agent, subject to the terms hereof, as Collateral. Unless a Default is in existence, Pledgor shall be entitled to receive all cash Dividends paid in respect of any of the Collateral (subject to the restrictions of any other Loan Document, including but not limited to Section 7.06 of the Credit Agreement). Administrative Agent shall be entitled to all Dividends, and to any sums paid upon or in respect of any Collateral, upon the liquidation, dissolution, or reorganization of the issuer thereof which shall be paid to Administrative Agent to be held by it as additional collateral security for the Obligation and application to the Obligation at the discretion of Administrative Agent. All Dividends paid or distributed in respect of the Collateral which are received by Pledgor in violation of this Agreement shall, until paid or delivered to Administrative Agent, be held by Pledgor in trust as additional Collateral for the Obligation.

3.04. Right of Administrative Agent to Notify Issuers. At any time during the continuance of a Default and at such other times as Administrative Agent is entitled to receive Dividends and other property consisting Collateral, Administrative Agent may notify issuers of the Collateral to make payments of all Dividends directly to Administrative Agent and

Administrative Agent may take control of all proceeds of any Collateral. Until Administrative Agent elects to exercise such rights, during the continuance of a Default, Pledgor, as agent of Administrative Agent, shall collect and segregate all Dividends and other amounts paid or distributed with respect to the Collateral.

3.05. Delivery of Receipts to Administrative Agent. Upon Administrative Agent's demand during the continuance of a Default, Pledgor shall deposit, upon receipt and in the form received, with any necessary endorsement, all payments received as proceeds of or otherwise in connection with the Collateral, in a special bank account in a bank of Administrative Agent's choice over which Administrative Agent alone shall have power of withdrawal. The funds in said account shall secure the Obligation. Administrative Agent is authorized, and is hereby appointed attorney-in-fact, to make any endorsement in Pledgor's name and behalf. Pending such deposit, Pledgor shall not mingle any such payments with any of Pledgor's other funds or property, but shall hold them separate and upon an express trust for Administrative Agent. During the continuance of a Default, Administrative Agent may from time to time apply the whole or any part of the funds in the special account against the Obligation.

3.06. Voting Rights. It is expressly understood and agreed that Pledgor shall retain all voting rights to the Collateral unless a Default shall exist, at which time such voting rights shall transfer to or be exercised as directed by Administrative Agent, at its sole discretion; provided, however, that no voting or management rights shall be exercised, vote cast, consent, waiver, or ratification given, or action taken by Pledgor which would be inconsistent with or violate any provision of this Agreement or any other Loan Document.

3.07. Records of Collateral. Pledgor at all times shall maintain accurate books and records concerning the Collateral. Pledgor shall cause all issuers of the Collateral to mark immediately all books and records of issue, registration, and transfer relating to the Collateral, with an entry showing the collateral assignment of the Collateral to Administrative Agent.

3.08. Information and Inspection. Pledgor shall, and shall cause Borrower, all its Subsidiaries and each issuer of Collateral to, (a) allow Administrative Agent to inspect and copy, or at the option of Administrative Agent, furnish copies of, all records relating to the Collateral and the Obligation; and (b) furnish Administrative Agent such information as it may request with respect to the Collateral, any Dividends thereon, and any proceeds thereof, at the time and in the form requested by Administrative Agent.

3.09. Disposition of Collateral. No Collateral may be sold, leased, encumbered, transferred or otherwise disposed of by Pledgor in any manner.

3.10. Indemnity and Expenses.

(a) PLEDGOR AGREES TO INDEMNIFY ADMINISTRATIVE AGENT AND EACH SECURED PARTY FROM AND AGAINST ANY AND ALL CLAIMS, LOSSES AND LIABILITIES (INCLUDING REASONABLE ATTORNEYS' FEES) GROWING OUT OF OR RESULTING FROM THIS AGREEMENT (INCLUDING, WITHOUT LIMITATION, ENFORCEMENT OF THIS AGREEMENT), EXPRESSLY INCLUDING SUCH CLAIMS, LOSSES OR LIABILITIES ARISING OUT OF MERE NEGLIGENCE OF

ADMINISTRATIVE AGENT OR ANY SECURED PARTY, EXCEPT CLAIMS, LOSSES OR LIABILITIES RESULTING FROM ADMINISTRATIVE AGENT'S OR ANY SECURED PARTY'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT.

(b) Pledgor will upon demand pay to Administrative Agent and each Secured Party the amount of any and all reasonable expenses, including the reasonable fees and expenses of its counsel and of any experts and agents, which Administrative Agent and each Secured Party may incur in connection with (i) the administration of this Agreement, (ii) the custody, preservation, use or operation of, or the sale of, collection from, or other realization upon, any of the Collateral, (iii) the exercise or enforcement of any of the rights of Administrative Agent hereunder or (iv) the failure by Pledgor to perform or observe any of the provisions hereof.

(c) Any payment made or cost borne by Administrative Agent and each Secured Party shall be a part of the Obligation, shall be payable upon demand, and shall bear interest prior to the existence of a Default, at the then applicable Base Rate, and during the existence of a Default, at the Highest Lawful Rate.

3.11. Additional Documents. Pledgor, at its expense, shall take all action, and execute and deliver such further instruments, agreements, blank stock powers, and assignments as Administrative Agent shall deem necessary or appropriate to obtain, maintain, and perfect the security interest hereunder, including the security interest in after-acquired Collateral granted herein, and to enable Administrative Agent to comply with all applicable federal or state Law, in order to obtain or perfect Administrative Agent's interest in the Collateral, to effect its Rights hereunder, or to obtain Dividends and other proceeds of the Collateral as provided herein.

3.12. Power of Attorney. **PLEDGOR HEREBY IRREVOCABLY GRANTS TO ADMINISTRATIVE AGENT PLEDGOR'S PROXY (EXERCISABLE FROM AND AFTER THE OCCURRENCE OF A DEFAULT WHICH IS CONTINUING) TO VOTE ANY STOCK COLLATERAL AND APPOINTS ADMINISTRATIVE AGENT PLEDGOR'S ATTORNEY-IN-FACT TO PERFORM ALL OBLIGATIONS OF PLEDGOR UNDER THIS AGREEMENT AND TO EXERCISE ALL OF ADMINISTRATIVE AGENT'S RIGHTS HEREUNDER. THE PROXY AND POWER OF ATTORNEY HEREIN GRANTED, AND EACH STOCK POWER AND SIMILAR POWER NOW OR THEREAFTER GRANTED (INCLUDING ANY EVIDENCED BY A SEPARATE WRITING), ARE COUPLED WITH AN INTEREST AND ARE IRREVOCABLE PRIOR TO FINAL PAYMENT IN FULL OF THE OBLIGATION.**

3.13. Other Parties and Other Collateral. No renewal, increase, or extension of or any other indulgence with respect to, the Obligation or any part thereof, no release, exchange, or taking of any security, no release of any Person (including any Loan Party, maker, endorser, guarantor, or surety) liable on the Obligation, no delay in enforcement of payment, no delay or omission or lack of diligence or care in exercising any right or power with respect to the Obligation or any security therefor or guaranty thereof or under this Agreement, and no other circumstance or event which might constitute a defense available to or discharge of Pledgor, any Loan Party or any other Person, shall in any manner impair or affect the rights of Administrative Agent or any Secured Party hereunder, under any other Loan Documents, at Law, or in equity. Neither Administrative Agent nor any Secured Party need file suit or assert a claim for personal

judgment against any Person for any part of the Obligation or seek to realize upon any other security for the Obligation, before foreclosing upon the Collateral for the purpose of paying the Obligation. Pledgor waives any Right to the benefit of or to require or control application of any other security or proceeds thereof, and agrees that neither Administrative Agent nor any Secured Party shall have any duty or obligation to Pledgor to apply any such other security or proceeds thereof to the Obligation.

3.14. Additional Collateral. Upon acquisition by Pledgor of any additional interest in Borrower or any other issuer of Collateral, Pledgor shall be deemed to grant hereunder, and shall cause to be granted, Liens and security interests on such interest to Administrative Agent, as security for the Obligation. Pledgor agrees to take, and to cause to be taken, at its own cost and expense, such actions as Administrative Agent shall deem necessary or appropriate to create, evidence, and perfect such Liens.

ARTICLE IV

RIGHTS AND POWERS OF ADMINISTRATIVE AGENT

4.01. Remedies upon Default. Administrative Agent, during the continuance of a Default and without liability to Pledgor, may without notice or demand: (i) obtain from any Person information regarding Pledgor, any issuer of the Collateral, or any of their businesses, which information any such Person also may furnish without liability to Pledgor or any other Person; (ii) require Pledgor to give possession or control of any of the Collateral to Administrative Agent; (iii) endorse as Pledgor's agent or attorney-in-fact any instruments or documents representing proceeds of the Collateral; (iv) unless earlier permitted hereunder, take control of funds generated by the Collateral and any other proceeds, and exercise all other rights which an owner of such Collateral may exercise; (v) at any time transfer any of the Collateral or evidence thereof into its own name or that of its nominee; and (vi) demand, collect, convert, redeem, receipt for, settle, compromise, adjust, sue for, foreclose, or realize upon the Collateral, in its own name for the benefit of Secured Parties, or in the name of Pledgor, as Administrative Agent may determine. Neither Administrative Agent nor any Secured Party shall be liable for failure to collect any Dividend or other proceeds, or for any act or omission on the part of Administrative Agent, its officers, agents, employees, or other representatives, except willful misconduct. The foregoing rights of Administrative Agent shall be in addition to, and not a limitation upon, any rights of Administrative Agent given by Law, elsewhere in this Agreement or any other Loan Documents, or otherwise.

4.02. Realization upon Collateral. During the continuance of a Default, Secured Party, without notice or demand, but subject to any limitations or restrictions imposed by applicable Law, may exercise any Rights of a secured party under the Uniform Commercial Code of Texas or any other applicable jurisdiction ("UCC"), this Agreement, any other Loan Documents, or otherwise and also may require Pledgor to, and Pledgor hereby agrees that it will at its expense and upon request of Administrative Agent forthwith, assemble all or part of the Collateral as directed by Administrative Agent and make it available to Administrative Agent at a place to be designated by Administrative Agent which is reasonably convenient to both parties at public or private sale, at any of Administrative Agent's offices or elsewhere, for cash, on credit or for future delivery, and upon such other terms as Administrative Agent may deem commercially

reasonable. Unless the Collateral is of a type customarily sold on a recognized market, Administrative Agent shall give Pledgor reasonable notice of the time and place of any public sale thereof or of the time after which any private sale or other intended disposition thereof is to be made. Pledgor agrees that ten days advance notice thereof shall constitute reasonable notice. Administrative Agent shall not be obligated to make any sale of Collateral, regardless of notice of sale having been given. Administrative Agent may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned. Expenses of retaking, holding, preparing for sale, selling, or the like shall include Administrative Agent's reasonable attorneys' fees and legal expenses, and constitute a portion of the Obligation. Administrative Agent shall be entitled to immediate possession of all books and records maintained by Pledgor with respect to the Collateral, and shall have the authority to enter upon any premises upon which any of the same may be situated and remove the same therefrom without liability. Upon disposition of Collateral during a Default, Pledgor shall be entitled to any surplus with respect to the Collateral following payment in full of the Obligation and termination hereof, and shall be liable to Administrative Agent for any deficiency with respect thereto. All cash proceeds received by Administrative Agent upon any sale of, collection of, or other realization upon, all or any part of the Collateral shall be applied as set forth in Section 8.03 of the Credit Agreement.

4.03. Securities and Other Laws; Contractual Restrictions. Because of the Securities Act of 1933, as amended ("Securities Act"), and other Laws, including without limitation state blue sky Laws, or contractual restrictions or agreements, there may be legal restrictions or limitations affecting Administrative Agent in any attempts to dispose of the Collateral and the enforcement of its rights hereunder. For these reasons, Administrative Agent is hereby authorized by Pledgor, but not obligated, during the continuance of any Default, to sell or otherwise dispose of any of the Collateral at private sale, subject to an investment letter, or in any other manner which will not require the Collateral, or any part thereof, to be registered in accordance with the Securities Act, or the rules and regulations promulgated thereunder, or any other Law. Administrative Agent is also hereby authorized by Pledgor, but not obligated, to take such actions, give such notices, obtain such consents, and do such other things as Administrative Agent may deem required or appropriate under the Securities Act or other securities Laws or other Laws or contractual restrictions or agreements in the event of a sale or disposition of any Collateral. Pledgor clearly understands that Administrative Agent may in its discretion approach a restricted number of potential purchasers and that a sale under such circumstances may yield a lower price for the Collateral than would otherwise be obtainable if same were registered and sold in the open market. No sale so made in good faith by Administrative Agent shall be deemed to be not "commercially reasonable" because so made. Pledgor agrees that in the event Administrative Agent shall, during the continuance of a Default, sell the Collateral or any portion thereof at any private sale or sales, Administrative Agent shall have the right to rely upon the advice and opinion of appraisers and other Persons, which appraisers and other Persons are acceptable to Administrative Agent, as to the best price reasonably obtainable upon such a private sale thereof. In the absence of fraud, such reliance shall be conclusive evidence that Administrative Agent handled such matter in a commercially reasonable manner under applicable Law.

4.04. Further Approvals Required.

(a) In connection with the exercise by Administrative Agent of its rights hereunder that effects the disposition of or use of any Collateral, it may be necessary to obtain the prior consent or approval of Governmental Authority and other Persons to a transfer or assignment of Collateral.

(b) Pledgor hereby agrees, during the continuance of a Default, to execute, deliver, and file, and hereby appoints (to the extent permitted under applicable Law) Administrative Agent as its attorney-in-fact, during the continuance of a Default, to execute, deliver, and file on Pledgor's behalf and in Pledgor's name, all applications, certificates, filings, instruments, and other documents (including without limitation any application for an assignment or transfer of control or ownership) that may be necessary or appropriate, in Administrative Agent's opinion, to obtain such consents, waivers, or approvals. Pledgor further agrees to use its best efforts to obtain the foregoing consents, waivers, and approvals, including receipt of consents, waivers, and approvals under applicable agreements prior to a potential default or a Default. Pledgor acknowledges that there is no adequate remedy at Law for failure by it to comply with the provisions of this Section and that such failure would not be adequately compensable in damages, and therefore agrees that this Section may be specifically enforced.

4.05. Convertible Securities. During the continuance of a Default, Administrative Agent may present for conversion any Collateral which is convertible into any other instrument, investment security, or cash. Administrative Agent shall not have any duty, however, to present for conversion any of the Collateral, unless it shall have received from Pledgor detailed written instructions to that effect at a time reasonably far in advance of the final conversion date to make such conversion possible and such conversion does not violate any provisions of any Loan Document.

4.06. Issuer Liabilities. By taking a security interest in the Collateral pursuant to this Agreement, neither Administrative Agent nor any Secured Party assumes, accepts, or becomes liable with respect to any debts, liabilities, or obligations of any issuer of any Collateral.

4.07. Pledgor Death or Insolvency. Should Pledgor die, become insolvent, fail to pay its debts generally as they become due, voluntarily seek, consent to, or acquiesce in the benefits of any Debtor Relief Law or become a party to or be made the subject of any proceeding provided for by any Debtor Relief Law (other than as a creditor or claimant) that could suspend or otherwise adversely affect the rights of any Lender or Administrative Agent granted hereunder, then, the Obligation shall be, as between Pledgor and such Lender or Administrative Agent, a fully matured, due, and payable obligation (without regard to whether Borrower is then in default under the Credit Agreement or whether any part of the Obligation is then due and owing by Borrower to such Lender or Administrative Agent), and Administrative Agent shall have all of the remedies and rights provided herein all as though a Default existed.

ARTICLE V

MISCELLANEOUS

5.01. Cumulative Rights. All rights of Administrative Agent and Secured Parties under the Loan Documents are cumulative of each other and of every other right which Administrative Agent and Secured Parties may otherwise have at Law or in equity or under any other contract or other writing for the enforcement of the security interest herein or the collection of the Obligation. The exercise of one or more rights shall not prejudice or impair the concurrent or subsequent exercise of other rights.

5.02. Administrative Agent's and Secured Parties' Duties. The powers conferred on Administrative Agent hereunder are solely to protect Administrative Agent's and Secured Parties' interest in the Collateral and shall not impose any duty upon Administrative Agent or any Secured Party to exercise any such powers. Except for the safe custody of any Collateral in its possession and the accounting for moneys actually received by it hereunder, Administrative Agent shall have no duty as to any Collateral, as to ascertaining or taking action with respect to calls, conversions, exchanges, maturities, tenders or other matters relative to any Collateral, whether or not Administrative Agent has or is deemed to have knowledge of such matters, or as to the taking of any necessary steps to preserve rights against prior parties or any other rights pertaining to any reasonable care in the custody and preservation of any Collateral in its possession if such Collateral is accorded treatment substantially equal to that which Administrative Agent accords its own property. Administrative Agent shall not have any duty or liability to protect or preserve any Collateral or to preserve rights pertaining thereto. Nothing contained in this Agreement shall be construed as requiring or obligating Administrative Agent or any Secured Party, and neither Administrative Agent nor any Secured Party shall be required or obligated, to (a) present or file any claim or notice or take any action, with respect to any Collateral or in connection therewith or (b) notify Pledgor of any decline in the value of any Collateral.

5.03. Waiver. Should any part of the Obligation be payable in installments, the acceptance by Administrative Agent or any Secured Party at any time and from time to time of partial payment of the aggregate amount of all installments then matured shall not be deemed as a waiver of any Default then existing. No waiver of any Default shall be deemed to be a waiver of any other subsequent Default, nor shall any such waiver be deemed to be a continuing waiver. No delay or omission by Administrative Agent or any Secured Party in exercising any right hereunder, or under any other Loan Documents, shall impair any such right or be construed as a waiver thereof or any acquiescence therein, nor shall any single or partial exercise of any such right preclude other or further exercise thereof, or the exercise of any other right of Administrative Agent or any Secured Party hereunder or under such other writings.

5.04. Release of Collateral and Liens; Termination. In connection with the disposition of any Collateral permitted under the Credit Agreement or termination hereof, Administrative Agent shall, upon Pledgor's request and at its expense, (a) deliver to Pledgor any documents, instruments, certificates, or agreements evidencing such Collateral, and all stock powers relating to such Collateral, that are in the possession of Administrative Agent; and (b) execute and deliver to Pledgor such documents and instruments as Pledgor shall reasonably request to evidence the

release of the lien of Administrative Agent in such Collateral. This Agreement constitutes a continuing security interest in the Collateral, and shall remain in full force and effect until final payment and performance in full of the Obligation, and termination of the Commitments and the other Loan Documents.

5.05. Rate Provision. It is not the intention of any party to any Loan Document to make an agreement violative of the Laws of any applicable jurisdiction relating to usury. In no event shall Pledgor be obligated to pay any amount in excess of the maximum amount of interest permitted under applicable Law. If from any circumstances Administrative Agent or any Secured Party shall ever receive anything of value deemed excess interest under applicable Law, an amount equal to such excess shall be applied to the reduction of the outstanding balance of the Obligation and any remainder shall be promptly refunded to the payor.

5.06. Parties Bound. This Agreement shall be binding on Pledgor and its heirs, administrators, executors, successors, assigns, and other legal representatives, and shall inure to the benefit of Administrative Agent and Secured Parties, and their respective successors and assigns; provided, however, that Pledgor may not assign its rights or obligations hereunder without the prior written consent of Administrative Agent. The Rights, powers, and interests held by Administrative Agent and Secured Parties hereunder may be transferred or assigned, in whole or in part, in accordance with the Credit Agreement, without the consent of Pledgor.

5.07. Notices and Deliveries.

(a) Manner of Delivery. All notices, communications and materials to be given or delivered pursuant to this Agreement shall, except in those cases where giving notice by telephone is expressly permitted, be given or delivered in writing. All written notices, communications and materials shall be sent by registered or certified mail, postage prepaid, return receipt requested, by telecopier, or delivered by hand. In the event of a discrepancy between any telephonic notice and any written confirmation thereof, such written confirmation shall be deemed the effective notice except to the extent Administrative Agent or Pledgor has acted in reliance on such telephonic notice.

(b) Addresses. All notices, communications and materials to be given or delivered pursuant to this Agreement shall be given or delivered at the following respective addresses and telecopier and telephone numbers and to the attention of the following individuals or departments:

(i) if to Pledgor, to it at:

2905 Alton Road
Ft. Worth, Texas 76109

(ii) if to Administrative Agent, to it at:

Bank of America, N.A.
901 Main Street, 67th Floor
TX1-492-67-01

Dallas, Texas 75202-3714

Attention: Dan Penkar
Telephone: 214-209-1178
Facsimile: 214-209-3140

or at such other address or, telecopier or telephone number or to the attention of such other individual or department as the party to which such information pertains may hereafter specify for the purpose in a notice to the other specifically captioned "Notice of Change of Address."

(c) Effectiveness. Each notice, communication and any material to be given or delivered to Administrative Agent or Pledgor pursuant to this Agreement shall be effective or deemed given or delivered upon the earlier to occur of (i) actual receipt by the relevant party hereto and (ii) (A) if delivered by hand or by courier, when signed for by or on behalf of the relevant party hereto; (B) if delivered by mail, four Business Days after deposit in the mails, postage prepaid; (C) if delivered by facsimile, when sent and receipt has been confirmed by telephone; and (D) if delivered by electronic mail when delivered. In no event shall a voicemail message be effective as a notice, communication or confirmation hereunder.

5.08. Modifications; Amendments; Etc. No amendment or waiver of any provision of this Agreement, and no consent to any departure by Pledgor here from, shall in any event be effective unless the same shall be in writing and signed by Administrative Agent, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

5.09. Financing Statement. A carbon, photographic, or other reproduction of this Agreement or any financing statement covering the Collateral shall be sufficient as a financing statement. Pledgor hereby authorizes Administrative Agent to file one or more financing or continuation statements, and amendments thereto, relating to any Collateral, without the signature of Pledgor where permitted by Law.

5.10. Definitions. Unless otherwise defined in this Agreement, terms used herein shall have the meanings set forth in the Credit Agreement. Unless the context indicates otherwise or the terms are otherwise defined herein, definitions in the UCC apply to words and phrases in this Agreement. "Pledgor", "Company" and "Loan Party" include, without limitation, such Person, such Person's heirs, legal representatives, executors, administrators, successors and assigns, such Person as a debtor-in-possession, and any receiver, trustee, liquidator, conservator, custodian, or similar party appointed for such Person or all or substantially all of its assets under any Law.

5.11. Severability. If any provision of any Loan Document is held to be illegal, invalid, or unenforceable under present or future Laws during the term thereof, such provision shall be fully severable, the appropriate Loan Document shall be construed and enforced as if such illegal, invalid, or unenforceable provision had never comprised a part thereof, and the remaining provisions thereof shall remain in full force and effect and shall not be affected by the illegal, invalid, or unenforceable provision or by its severance therefrom. Furthermore, in lieu of such illegal, invalid, or unenforceable provision there shall be added automatically as a part of such

Loan Document a legal, valid, and enforceable provision as similar in terms to the illegal, invalid, or unenforceable provision as may be possible.

5.12. Counterparts. This Agreement and the other Loan Documents may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument. In making proof of any such agreement, it shall not be necessary to produce or account for any counterpart other than one signed by the party against which enforcement is sought.

5.13. Control. Notwithstanding anything herein to the contrary, this Agreement and the transactions contemplated hereby do not and shall not constitute, create, or have the effect of constituting or creating, directly or indirectly, actual or practical ownership by Administrative Agent or any Secured Party of Pledgor or any issuer of the Collateral, or control, affirmative or negative, direct or indirect, by Administrative Agent or any Secured Party over the management or any aspect of the day-to-day operation of Pledgor or any such issuer, which control remains in Pledgor, each such issuer, and their respective boards of directors, partners and officers (as appropriate); provided, however, that if Administrative Agent or any Secured Party becomes the owner of any Capital Stock, whether through foreclosure or otherwise, it shall be entitled to exercise such legal rights as it may have by being an owner of such partnership interest, or other equity interest.

5.14. **GOVERNING LAW; TERMS.**

(a) THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF TEXAS APPLICABLE TO AGREEMENTS MADE AND TO BE PERFORMED ENTIRELY WITHIN SUCH STATE; PROVIDED THAT THE ADMINISTRATIVE AGENT AND EACH LENDER SHALL RETAIN ALL RIGHTS ARISING UNDER FEDERAL LAW.

(b) The parties hereto agree that Chapter 346 (other than 346.004) of the Texas Finance Code (which regulates certain revolving credit accounts and revolving tri-party accounts) shall not apply to Loans or the other Obligations.

(c) ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT MAY BE BROUGHT IN THE COURTS OF THE STATE OF TEXAS SITTING IN DALLAS COUNTY, TEXAS OR IN THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF TEXAS (DALLAS DIVISION), AND BY EXECUTION AND DELIVERY OF THIS AGREEMENT, THE BORROWER, THE ADMINISTRATIVE AGENT AND EACH LENDER CONSENTS, FOR ITSELF AND IN RESPECT OF ITS PROPERTY, TO THE NON-EXCLUSIVE JURISDICTION OF THOSE COURTS. THE BORROWER, THE ADMINISTRATIVE AGENT AND EACH LENDER IRREVOCABLY WAIVES ANY OBJECTION, INCLUDING ANY OBJECTION TO THE LAYING OF VENUE OR BASED ON THE GROUNDS OF *FORUM NON CONVENIENS*, WHICH IT MAY NOW OR HEREAFTER HAVE TO THE BRINGING OF ANY ACTION OR PROCEEDING IN SUCH JURISDICTION IN RESPECT OF ANY LOAN DOCUMENT OR OTHER DOCUMENT RELATED THERETO. THE BORROWER, THE ADMINISTRATIVE AGENT AND EACH LENDER WAIVES

PERSONAL SERVICE OF ANY SUMMONS, COMPLAINT OR OTHER PROCESS, WHICH MAY BE MADE BY ANY OTHER MEANS PERMITTED BY THE LAW OF SUCH STATE.

5.15. **Waiver of Right to Trial by Jury.** EACH PARTY TO THIS AGREEMENT HEREBY EXPRESSLY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION ARISING UNDER ANY LOAN DOCUMENT OR IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES HERETO OR ANY OF THEM WITH RESPECT TO ANY LOAN DOCUMENT, OR THE TRANSACTIONS RELATED THERETO, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER FOUNDED IN CONTRACT OR TORT OR OTHERWISE; AND EACH PARTY HEREBY AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY, AND THAT ANY PARTY TO THIS AGREEMENT MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE SIGNATORIES HERETO TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.

5.16. **Administrative Agent's Right to Use Agents.** Administrative Agent may exercise its rights under this Agreement through an agent or other designee.

5.17. **No Interference, Compensation or Expense.** Administrative Agent may exercise its rights under this Agreement (a) without resistance or interference by Pledgor and (b) without payment of any rent, license fee or compensation of any kind to Pledgor.

5.18. **Waivers by Pledgor.** Pledgor waives notice of the creation, advance, increase, existence, extension, or renewal of, or of any indulgence with respect to, the Obligation; waives presentment, demand, notice of dishonor, and protest; waives notice of the amount of the Obligation outstanding at any time, notice of any change in financial condition of any Person liable for the Obligation or any part thereof, notice of any Default, and all other notices respecting the Obligation; and agrees that maturity of the Obligation and any part thereof may be accelerated, extended, or renewed one or more times by Secured Parties, in its or their discretion, without notice to Pledgor.

5.19. **Waiver of Subrogation.** Pledgor shall not assert, enforce, or otherwise exercise (i) any right of subrogation to any of the rights or liens of any Lender or Administrative Agent or any other beneficiary against Borrower or any other Loan Party on the Obligation or any Collateral or other security, or (ii) any right of recourse, reimbursement, contribution, indemnification, or similar right against Borrower or any other Loan Party on all or any part of the Obligation or any guarantor thereof, and Pledgor hereby waives any and all of the foregoing rights and the benefit of, and any right to participate in, any collateral or other security given to any Lender or Administrative Agent or any other beneficiary to secure payment of the Secured Indebtedness. The provisions of this Section 5.19 shall survive the termination of this Agreement, and any satisfaction and discharge of Borrower and each other Loan Party by virtue of any payment, court order, or Law. Pledgor hereby waives all rights by which it might be entitled to require suit on an accrued right of action in respect of any of the Obligation or require suit against Borrower, any other Loan Party or others, whether arising pursuant to Section 34.02 of the Texas Business and Commerce Code, as amended, Section 17.001 of the Texas Civil

Practice and Remedies Code, as amended, or Rule 31 of the Texas Rules of Civil Procedure, as amended, or otherwise.

5.20. Death of Pledgor. In the event of the death of the Pledgor, the obligations of the deceased Pledgor under this Agreement shall continue as an obligation against his estate (without the necessity of the Administrative Agent or any other Secured Party taking any action in any proceeding with respect to such estate) as to (a) all of the Obligation that are outstanding on the date of Pledgor's death, and any renewals or extensions thereof, and (b) all loans, advances and other extensions of credit made to or for the account of the Borrower on or after the date of Pledgor's death pursuant to an obligation of Lenders under the Commitments and made to or with Borrower prior to the date of Pledgor's death. The terms and conditions of this Agreement, including without limitation the waivers set forth in Sections 5.03 5.18 and 5.19 hereof shall remain in effect with respect to the Obligation described in the preceding sentence in the same manner as if Pledgor had not died.

5.21. ENTIRE AGREEMENT. THIS WRITTEN AGREEMENT, TOGETHER WITH THE OTHER LOAN PAPERS, REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS AMONG THE PARTIES.

5.22. Loan Document. This Agreement is a Loan Document executed pursuant to the Credit Agreement and shall (unless otherwise expressly indicated herein) be construed, administered and applied in accordance with the terms and provisions thereof.

5.23. Obligations Not Affected. To the fullest extent permitted by applicable Law, the obligations of Pledgor under this Agreement shall remain in full force and effect without regard to, and shall not be impaired or affected by:

(a) any amendment or modification or addition or supplement to any Loan Document, any instrument delivered in connection therewith or any assignment or transfer thereof;

(b) any exercises, non-exercise, or waiver by Administrative Agent or any Secured Party of any right, remedy, power or privilege under or in respect of, or any release of any guaranty, any collateral or the Collateral or any part thereof provided pursuant to, this Agreement or any Loan Document;

(c) any waiver, consent, extension, indulgence or other action or inaction in respect of this Agreement or any Loan Document or any assignment or transfer of any thereof; or


(d) any bankruptcy, insolvency, reorganization, arrangement, readjustment, composition, liquidation or the like of Pledgor, any Loan Party or any other Person, whether or not Pledgor shall have notice or knowledge of any of the foregoing.

5.24. Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument.

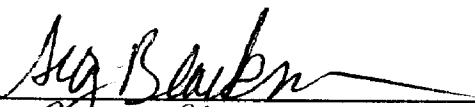
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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their respective duly authorized officers as of the date first above written.

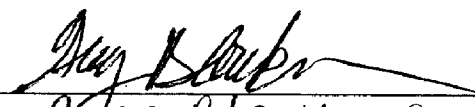
THE BMS ENTERPRISES, INC.

By: 
Name: Kirk Blackmon
Title: Chief Executive Officer

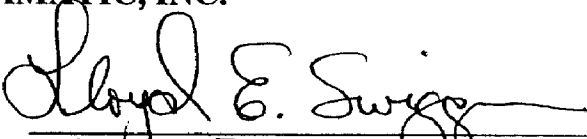
BMS SERVICES COMPANY

By: 
Name: Greg Blackmon
Title: President

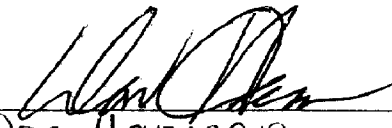
BLACKMOOR MANAGEMENT COMPANY

By: 
Name: Greg Blackmon
Title: President

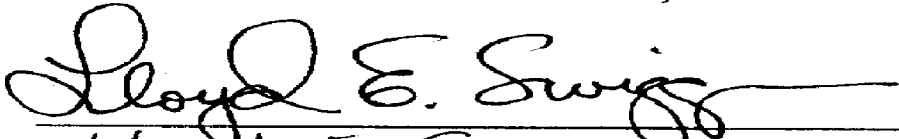
STEAMATIC, INC.

By: 
Name: Lloyd E. Swiggum
Title: President


BLACKMON-MOORING STEAMATIC OF TULSA, INC.

By: 
Name: Don Harman
Title: President


STEAMATIC OF NEW YORK, INC.

By: 
Name: Lloyd E. Swiggum
Title: President

BLACKMON-MOORING SERVICES, LTD.

By: 
Name: Greg Blackmon
Title: President


BMS MANAGEMENT COMPANY

By: 
Name: Don Harman
Title: President


STEAMATIC OF AMARILLO, INC.

By: 
Name: Don Harman
Title: President


BLACKMON-MOORING COMPANY

By: 
Name: Don Harman
Title: President


BLACKMON-MOORING OF HOUSTON

By: 
Name: Don Harman
Title: President


STEAMATIC CLEANING SERVICES, INC.

By: 
Name: Don Harman
Title: President


**BLACKMON-MOORING-STEAMATIC OF
MIDLAND-ODESSA, INC.**

By: 
Name: Don Harman
Title: President

STEAMATIC OF OKLAHOMA CITY, INC.

By: 
Name: Don Harman
Title: President

**BLACKMON-MOORING STEAMATIC OF
SAN ANTONIO, INC.**

By: 
Name: Don Harman
Title: President

PUMA CHEMICAL COMPANY

By: Lloyd E. Swiggum
Name: Lloyd E. Swiggum
Title: President

LINSCO CHEMICAL, INC.

By: Lloyd E. Swiggum
Name: Lloyd E. Swiggum
Title: President

UTECH, INC.

By: Lloyd E. Swiggum
Name: Lloyd E. Swiggum
Title: President

**BLACKMON-MOORING-STEAMATIC
CATASTROPHE, INC.**

By: Lloyd E. Swiggum
Name: Lloyd E. Swiggum
Title: President

**BMS CATASTROPHE INTERNATIONAL,
INC.**

By: Lloyd E. Swiggum
Name: Lloyd E. Swiggum
Title: President

**WORLD ADVERTISING AND PUBLIC
RELATIONS, INC.**

By: Lloyd E. Swiggum
Name: Lloyd E. Swiggum
Title: President

STEAMATIC INTERNATIONAL, INC.

By: Lloyd E. Swiggum
Name: Lloyd E. Swiggum
Title: President

BLACKMON-MOORING STEAMATIC, INC.

By: Don Harman
Name: Don Harman
Title: President

ABERDEEN INDUSTRIES, INC.

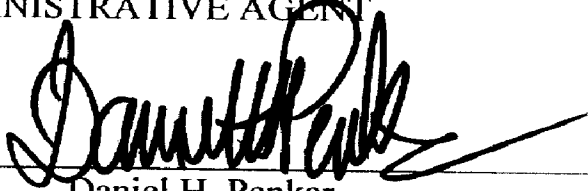
By: W. G. Blackmon, III
Name: W. G. Blackmon, III
Title: President

**BLACKMON-MOORING OF SOUTHERN
CALIFORNIA, INC.**

By: Don Harman
Name: Don Harman
Title: President

SECURED PARTY:

BANK OF AMERICA, N.A., AS
ADMINISTRATIVE AGENT

By: 
Name: Daniel H. Penkar
Title: Senior Vice President

SCHEDULE 5(a)
To the Security Agreement

GRANTOR'S STATE REGISTERED TRADEMARKS & APPLICATIONS

NAME	STATE	DATE	REGISTRATION NUMBER
Steamatic	Texas	Feb. 1, 1967	2619017

GRANTOR'S STATE REGISTERED PATENTS

NONE

GRANTOR'S STATE REGISTERED COPYRIGHTS

NONE

SCHEDULE 5(b)

Registered Patents

Registered Owner	Nature of Debtor's Interest (e.g. owner, licensee)	Patent Registration/ Application Number	Issue/Application Date	Country of Issue/Application
Steamatic, Inc.	Owner	U. S. Patent No. 4984329	January 15, 1991	United States
Steamatic, Inc.	Owner	U. S. Patent No. 5095578	March 17, 1992	United States
Steamatic, Inc.	Owner	U. S. Patent No. 5099543	March 31, 1992	United States
Steamatic, Inc.	Owner	U. S. Patent No. 5107568	April 28, 1992	United States
Steamatic, Inc.	Owner	U. S. Patent No. 5109567	May 5, 1992	United States
Steamatic, Inc.	Owner	U. S. Patent No. 5438729	August 8, 1995	United States
Steamatic, Inc.	Owner	U. S. Patent No. 5493753	February 27, 1996	United States
Steamatic, Inc.	Owner	U. S. Patent No. 5528789	June 25, 1996	United States

Other Grantors: None

SCHEDULE 5(d) & (e)
Schedule to the Security Agreement

GRANTOR'S REGISTERED TRADEMARKS AND TRADEMARK APPLICATIONS

TRADEMARKS	COUNTRY	REG. NO.	REG. DATE	APPL. No.
Blackmon Mooring Steamatic	USA	1,313,889	01/08/1985	441,447

TRADEMARKS	COUNTRY	REG. NO.	REG. DATE	APPL. No.
BMS Technologies & Design	USA	1,978,774	06/04/1996	74/507,892
E2S EMTECH & Design	USA	1,540,873	05/23/1989	73/705,892
LAMBRITE	USA	963,218	07/03/1973	72/415,854
Steamatic	USA-Class 37	876,236	09/02/1969	293,647
Steamatic	USA-Class 06	912,059	06/08/1971	72/346,320
STEAMATIC & Design	USA	878,142	10/07/1969	293,646

TRADEMARKS	COUNTRY	REG. NO.	REG. DATE	APPL. No.
STEAMATIC-Cleaning & Restoration	USA	1904640	07/11/1995	74/447,148

TRADEMARKS	COUNTRY	REG. NO.	REG. DATE	APPL. No.
STEAMATIC-Solution-Pollution	USA	1,792,207	09/07/1993	74/144,822

TRADEMARKS	COUNTRY	REG. NO.	REG. DATE	APPL. No.
STEAMATIC-Total Cleaning Service	USA-Class 37	1,257,115	11/08/1983	388,997
STEAMATIC-Total Cleaning Service	USA-Class 07	1,283,047	06/26/1984	73/388,996
STEAMATICARE	USA	1,390,259	04/15/1986	554,014
UNISOURCE	USA	1,783,636	07/20/1993	74/192,748
(BMS)UTECH, INC.				
BMS CAT & Device	USA	1,497,080	07/19/1988	73/691,804
BMS TECH & Design	USA	1,517,466	12/20/1988	691,701