Form PTO-1594 RECORDATION FOR (Rev. 10/02) TRADEMAI				
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To the Honorable Commissioner of Patents and Trademarks: F				
Name of conveying party(ies):     PCI-A Holding Corp. and PCI Holding Corp.	Name and address of receiving party(ies)     Name: PNC Bank, as agent     Internal     Address: Att. Alan Tischbein			
Individual(s)	Street Address: 70 East 55th Street  City: New York State: NY Zip: 10022  Individual(s) citizenship Association			
	2333143			
Additional number(s) at	tached Yes V No			
Name and address of party to whom correspondence concerning document should be mailed:     Name: Miriam J. Rovner	6. Total number of applications and registrations involved:			
Internal Address: Senior Trademark Paralegal Goodwin Procter LLP	7. Total fee (37 CFR 3.41)\$_40.00			
Exchange Place	Authorized to be charged to deposit account			
Street Address: 53 State Street	8. Deposit account number:  07-1700			
City: Boston State: MA Zip:02109-2881	THIS SPACE			
9. Signature.	\ <b>\</b>			
Rachelle A. Kagan	April 16, 2004			
	Signature Date 21			
1703   280 Mail documents to be recorded with Commissioner of Patent &	h required cover sheet information to: Trademarks, Box Assignments			

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

# INTELLECTUAL PROPERTY SECURITY AGREEMENT

THIS INTELLECTUAL PROPERTY SECURITY AGREEMENT dated as of October 11, 2002 made between PCI-A HOLDING CORP., a Delaware corporation ("PCI-A"), and PCI HOLDING CORP., a Delaware corporation ("PCI" and together with PCI-A, the "Grantors") for the benefit of PNC BANK, NATIONAL ASSOCIATION, as agent (the "Agent") for itself and the other lenders which are, or may in the future become party to the Loan Agreement (as defined below) (the "Grantee"). Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Loan Agreement.

WHEREAS, the Grantors, as borrowers, have entered into a Revolving Credit, Term Loan and Security Agreement, dated as of October 11, 2002 (as amended, modified or supplemented from time to time, the "Loan Agreement") with the Agent, the financial institutions party thereto from time to time, as lender (collectively, with the Agent, the "Lenders) and the guarantors party thereto, pursuant to which the Lenders have agreed to make Advances to the Grantors, upon the terms and subject to the conditions contained therein; and

WHEREAS, in connection with the granting of the credits under the Loan Agreement and as security for all of the Secured Obligations (as hereinafter defined), the Agent is requiring the Grantors to execute and deliver this Intellectual Property Security Agreement and grant the security interest contemplated hereby.

NOW, THEREFORE, in consideration of the premises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

- Section 1. <u>Grant of Security</u>. The Grantors hereby grant and pledge to the Grantee for its benefit a security interest in the following, in each case, as to each type of property described below, whether now owned or hereafter acquired by the Grantors, and whether now or hereafter existing (collectively, the "Intellectual Property Collateral"):
  - (a) all patents, patent applications and patentable inventions, including, without limitation, each patent identified in <u>Schedule I</u> attached hereto and made a part hereof and each patent application identified in such <u>Schedule I</u>, and including, without limitation, (i) all inventions and improvements described and claimed therein and the right to make, use or sell or advertise for sale the same, (ii) the right to sue or otherwise recover for any infringements or misappropriations thereof, (iii) all income, royalties, damages and other payments now and hereafter due and/or payable with respect thereto (including, without limitation, payments under all licenses entered into in connection therewith, and damages and payments for past and future infringements thereof), and (iv) all rights corresponding thereto throughout the world and all reissues, divisions, continuations, continuations-in-part, substitutes, renewals and extensions thereof, all improvements thereon and all other rights of any kind whatsoever of the Grantors accruing thereunder or pertaining thereto (the "Patents");
  - (b) all trademarks, service marks, trade names, trade dress or other indicia of trade origin, whether registered or unregistered, trademark and service mark registrations,

and applications for trademark or service mark registrations (other than any "intent to use" application of the type described in 15 United States Code Section 1051(b)) and any renewals thereof, including, without limitation, each registration and application identified in Schedule II attached hereto and made a part hereof, and including, without limitation, (i) the right to sue or otherwise recover for any and all past, present and future infringements and misappropriations thereof, (ii) all income, royalties, damages and other payments now and hereafter due and/or payable with respect thereto (including, without limitation, payments under all licenses entered into in connection therewith, and damages and payments for past or future infringements thereof), and (iii) all rights corresponding thereto throughout the world and all other rights of any kind whatsoever of the Grantors accruing thereunder or pertaining thereto, together in each case with the goodwill of the business connected with the use of, and symbolized by, each such trademark, service mark, trade name, trade dress or other indicia of trade origin (the "Trademarks");

- (c) all copyrights, all copyrights of works based on, incorporated in, derived from or relating to works covered by such copyrights, all right, title and interest to make and exploit all derivative works based on or adopted from works covered by such copyrights, including, without limitation, the copyrights in each original work of authorship identified in <a href="Schedule III">Schedule III</a> attached hereto and made a part hereof, and including, without limitation, (i) the right to exercise any or all of the exclusive rights of a copyright owner with regard to the foregoing, (ii) the right to sue or otherwise recover for any and all past, present and future infringements and misappropriations thereof, (iii) all income, royalties, damages and other payments now and hereafter due and/or payable with respect thereto (including, without limitation, payments under all licenses entered into in connection therewith, and damages and payments for past or future infringements thereof), and (iv) all rights corresponding thereto throughout the world and all other rights of any kind whatsoever of the Grantors accruing thereunder or pertaining thereto (the "Copyrights");
- (d) all trade secrets, including, (i) the right to use or license the foregoing, (ii) the right to sue or otherwise recover for any and all past, present and future infringements and misappropriations thereof, (iii) all income, royalties, damages and other payments now and hereafter due and/or payable with respect thereto (including, without limitation, payments under all licenses entered into in connection therewith, and damages and payments for past or future infringements thereof), and (iv) all rights corresponding thereto throughout the world and all other rights of any kind whatsoever of the Grantors accruing thereunder or pertaining thereto (the "Trade Secrets");
- (e) all license agreements with any other Person in connection with any of the Patents, Trademarks, Copyrights or Trade Secrets, or such other Person's patents, trade names, trademarks, service marks, copyrights or works of authorship, or other intellectual property, whether the Grantors is a licensor or licensee under any such license agreement, including, without limitation, the license agreements listed on Schedule IV attached hereto and made a part hereof and any right to prepare for sale, sell and advertise for sale, now or hereafter owned by the Grantors and now or hereafter covered by any such licenses (the "Licenses" and each a "License"); and
- (f) all proceeds of any of the foregoing Patents, Trademarks, Copyrights, Trade Secrets and Licenses.

- Section 2. <u>Security for Obligations</u>. This Agreement secures the payment of all Obligations of the Borrowers to the Agent, on behalf of the Lenders, now or hereafter existing under the Loan Agreement and all other obligations under any document or agreement executed in connection therewith, whether for principal, interest, fees, expenses or otherwise (the "Secured Obligations").
- Section 3. Grantors Remains Liable. Anything herein to the contrary notwithstanding, (a) the Grantors shall remain liable under the contracts and agreements included in the Intellectual Property Collateral to which they are a party to the extent set forth therein to perform all of their duties and obligations thereunder to the same extent as if this Agreement had not been executed, (b) the exercise by the Grantee of any of the rights or remedies hereunder shall not release the Grantors from any of their duties or obligations under any of the contracts and agreements included in the Intellectual Property Collateral, and (c) the Grantee shall have no obligation or liability under any of the contracts and agreements included in the Intellectual Property Collateral by reason of this Agreement, nor shall the Grantee be obligated to perform any of the obligations or duties of the Grantors thereunder or to take any action to collect or enforce any claim for payment assigned hereunder.
- Section 4. Representations and Warranties. The Grantors represent and warrant as follows:
  - (a) the Grantors are the legal and beneficial owners of the Intellectual Property Collateral pledged by such Grantor free and clear of any lien, claim, option or right of others, except for the liens and security interests created under this Agreement or permitted under the Loan Agreement. No effective financing statement or other instrument similar in effect covering all or any part of the Intellectual Property Collateral or listing the Grantors or any of their Subsidiaries or any trade name of the Grantors or any of its Subsidiaries as debtor is on file in any recording office (including, without limitation, the United States Patent and Trademark Office and the United States Copyright Office), except such as may have been filed in favor of the Grantee or as provided under the Documents, as such term is defined in the Loan Agreement.
  - by the Grantors. Set forth in Schedule II is a complete and accurate list of all patents owned by the Grantors. Set forth in Schedule II is a complete and accurate list of all registered trademarks, service marks, trade names and trade dress, all trademark and service mark registrations and all trademark and service mark applications owned by the Grantors. Set forth in Schedule III is a complete and accurate list of all registered copyrights and copyrightable works of authorship owned by the Grantors. Set forth in Schedule IV is a complete and accurate list of all Licenses in which the Grantors are (i) a licensor with respect to any of the Patents, Trademarks, or Copyrights or (ii) a licensee of any other Person's patents, trade names, trademarks, service marks, copyrights or works of authorship (other than readily available commercial software products). The Grantor have made all necessary filings and recordations to protect and maintain their interests in the patents, patent applications, trademark and service mark registrations, trademark and service mark applications, and Licenses set forth in Schedules I, II, and IV hereto. With respect to the Trade Secrets, Grantors have taken all steps reasonably necessary to maintain the secrecy of such trade secrets.

- (c) Each patent, patent application, trademark or service mark registration, trademark or service mark application, copyright of the Grantors set forth in Schedule I, II or III hereto is subsisting and has not been adjudged invalid, unregisterable or unenforceable, in whole or in part, and, to the Grantors' knowledge, is valid, registrable and enforceable. Each License of the Grantors identified in Schedule IV is subsisting and has not been adjudged invalid or unenforceable, in whole or in part, and, to the Grantors' knowledge, is valid and enforceable. The Grantors are not aware of any uses of any item of Intellectual Property Collateral which would be expected to lead to such item becoming invalid or unenforceable, including unauthorized uses by third parties and uses which were not supported by the goodwill of the business connected with such Intellectual Property Collateral.
- (d) The Grantors have not made any previous assignment, transfer or agreement constituting an effective present or future assignment, transfer or encumbrance of any of the Intellectual Property Collateral. The Grantors have not granted any License (other than those listed on <u>Schedule IV</u> hereto), release, covenant not to sue, or non-assertion assurance to any Person with respect to any part of the Intellectual Property Collateral.
- (e) The Grantors have used reasonable efforts to use proper statutory notice in connection with their use of each patent, registered trademark and service mark and registered copyright contained in <u>Schedule I, II</u> or <u>III</u>.
- (f) This Agreement creates in favor of the Grantee a valid and, when filed, perfected first and only priority security interest in the Intellectual Property Collateral of the Grantors, securing the payment of the Secured Obligations except as provided under the Loan Agreement.
- by, and no notice to or filing with, any governmental authority or regulatory body or other Person is required (i) for the grant by the Grantors of the security interest granted hereby, for the pledge by the Grantors of the Intellectual Property Collateral pursuant hereto, or for the execution, delivery or performance of this Agreement by the Grantors, (ii) for the perfection or maintenance of the pledge and security interest created hereby (including the first and only priority nature of such pledge and security interest), except for the filing of financing and continuation statements under the Uniform Commercial Code, and the filing and recording of this Agreement in the United States Patent and Trademark Office against each patent, patent application, trademark or service mark registration, trademark or service mark application, and in the U.S. Copyright Office against each registered copyright of the Grantors set forth in Schedule I, II or III hereto, or (iii) except as provided by applicable law, for the exercise by the Grantee of its rights provided for in this Agreement or the remedies in respect of the Intellectual Property Collateral pursuant to this Agreement.
- (h) To the Grantors' knowledge, there are no claims by any third party relating to any item of Intellectual Property Collateral.
- (i) No claim has been made and is continuing or, to the Grantors' knowledge, threatened that any item of Intellectual Property Collateral is invalid or unenforceable or that the use by the Grantors of any Intellectual Property Collateral does or may violate

the rights of any Person. To the best of the Grantors' knowledge, there is currently no infringement or unauthorized use of any item of Intellectual Property Collateral.

(j) The Grantors have taken all reasonably necessary steps to use consistent standards of quality in the distribution and sale of all products sold and the provision of all services provided under or in connection with any of the Intellectual Property Collateral and have taken all necessary steps to ensure that all licensed users of any of the Intellectual Property Collateral use such consistent standards of quality.

#### Section 5. Further Assurances.

- (a) The Grantors agree that from time to time, at the expense of the Grantors, the Grantors shall promptly execute and deliver all further instruments and documents, and take all further action, that the Grantee reasonably believes may be necessary or desirable, or that the Grantee may reasonably request, in order to perfect and protect any pledge or security interest granted or purported to be granted hereby or to enable the Grantee to exercise and enforce its rights and remedies hereunder with respect to any part of the Intellectual Property Collateral. Without limiting the generality of the foregoing, the Grantors will, upon the reasonable request of the Grantee, with respect to the Intellectual Property Collateral owned by such Grantors, 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 the Grantee may reasonably request, in order to perfect and preserve the pledge and security interest granted or purported to be granted hereby.
- (b) The Grantors hereby authorize the Grantee to file one or more financing or continuation statements, and amendments thereto, relating to all or any part of the Intellectual Property Collateral without the signature of such Grantors where permitted by law. A photocopy or other reproduction of this Agreement or any financing statement covering the Intellectual Property Collateral or any part thereof will be sufficient as a financing statement where permitted by law.
- (c) The Grantors will furnish to the Grantee from time to time statements and schedules further identifying and describing the Intellectual Property Collateral and such other reports in connection with the Intellectual Property Collateral as the Grantee may reasonably request, all in reasonable detail.
- (d) The Grantors agree that, should they obtain an ownership interest in any patent, patent application, patentable invention, trademark, service mark, trade name, trade dress, other indicia of trade origin, trademark or service mark registration, trademark or service mark application, copyright, work of authorship or License, which is not now a part of the Intellectual Property Collateral, (i) the provisions of Section 1 will automatically apply thereto, and (ii) any such patent, patent application, patentable invention, trademark, service mark, trade name, trade dress, indicia of trade origin, trademark or service mark registration, trademark or service mark application (together with the goodwill of the business connected with the use of same and symbolized by same), copyright, work of authorship or License will automatically become part of the Intellectual Property Collateral. The Grantors further agree that they shall deliver to the Grantee a written report, in reasonable detail, upon Grantee's request but not more than annually, setting forth each new patent, patent application, trademark or service mark

registration, trademark or service mark application, copyright of License that such Grantor have filed, acquired, created or otherwise obtained in the preceding six month reporting period. The Grantors authorize the Grantee to modify this Agreement by amending Schedules I, II, III, and IV hereto (and shall cooperate with the Grantee in effecting any such amendment) to include any patent, patent application, trademark or service mark registration, trademark or service mark application, copyright, work of authorship or License which becomes part of the Intellectual Property Collateral.

- With respect to each patent, patent application, trademark or service mark registration, trademark or service mark application, copyright or work of authorship set forth in Schedule I, II or III hereto, the Grantors agree to take all necessary or desirable steps based upon the Grantors' reasonable business judgment, including, without limitation, in the United States Patent and Trademark Office and the United States Copyright Office or in any court, to (i) maintain each such patent, trademark or service mark registration, and copyright registration, and (ii) pursue each such patent application, trademark or service mark application and copyright application now or hereafter included in the Intellectual Property Collateral, including, without limitation, the filing of responses to office actions issued by the United States Patent and Trademark Office, the filing of affidavits under Sections 8 and 15 of the United States Trademark Act, the filing of divisional, continuation, continuation-in-part and substitute applications, the filing of applications for re-issue, renewal or extensions, the payment of maintenance fees, and the participation in interference, reexamination, opposition, cancellation, infringement and misappropriation proceedings. The Grantors agree to take corresponding steps with respect to each new or acquired patent, patent application, trademark or service mark registration, trademark or service mark application, copyright, or work of authorship to which they now or later become entitled. Any and all expenses incurred in connection with such activities will be borne by the Grantors. The Grantors shall not discontinue use of or otherwise abandon any patent, patent application, trademark or service mark, trademark or service mark registration, trademark or service mark application, copyright or trade secret now or hereafter included in the Intellectual Property Collateral except in the exercise of the Grantors reasonable business judgment.
- (f) The Grantors agree to notify the Grantee promptly and in writing if they learn (i) that any material item of the Intellectual Property Collateral has been determined to have become abandoned, dedicated to the public, entered the public domain, or, in the case of a trade secret, has been publicly disclosed so that it would no longer deemed to be a trade secret; (ii) of the institution of any proceeding (including, without limitation, the institution of any proceeding in the United States Patent and Trademark Office or any court) regarding any material item of the Intellectual Property Collateral, or (iii) of any adverse determination with respect to the validity or enforceability of any material item of the Intellectual Property Collateral.
- (g) In the event that the Grantors make a determination in their reasonable business judgment that any material Intellectual Property Collateral has been infringed or misappropriated by a third party, the Grantors shall promptly notify the Grantee and will take such actions as the Grantors deem appropriate under the circumstances or the Grantee reasonably requests to protect such Intellectual Property Collateral, including, without limitation, suing for infringement or misappropriation and for an injunction

against such infringement or misappropriation. Any expense in connection with such activities will be borne by the Grantors.

- (h) The Grantors shall continue to use proper statutory notice in connection with their use of each of their patents, registered trademarks and service marks, and registered copyrights contained in <u>Schedule I, II</u> or <u>III</u>.
- (i) The Grantors shall take all steps which they deem appropriate under the circumstances to preserve and protect their Intellectual Property Collateral, including, without limitation, maintaining the quality of any and all products or services used or provided in connection with any of the Intellectual Property Collateral, consistent with the quality of the products and services as of the date hereof, and taking all steps reasonably necessary to ensure that all licensed users of any of the Intellectual Property Collateral use such consistent standards of quality.
- Section 6. <u>Transfers and Other Liens</u>. The Grantors agree that they shall not (i) sell, assign (by operation of law or otherwise) or otherwise dispose of or grant any option with respect to, any Intellectual Property Collateral except to an affiliate with prompt written notice thereof to the Agent, or (ii) create or suffer to exist any lien upon or with respect to any Intellectual Property Collateral except for the pledge and security interest created by this Agreement.
- Section 7. The Grantee Appointed Attorney-in-Fact. The Grantors hereby irrevocably appoint the Grantee as their attorney-in-fact, with full authority in the place and stead of such Grantors and in the name of such Grantors or otherwise, upon the occurrence and during the continuance of an Event of Default and upon ten (10) days' prior notice to such Grantors to take any action and to execute any instrument that the Grantee may reasonably deem necessary or advisable to accomplish the purposes of this Agreement, including, without limitation:
  - (a) to ask for, demand, collect, sue for, recover, compromise, receive and give a quittance and receipts for moneys due and to become due under or in respect of any of the Intellectual Property Collateral;
  - (b) to receive, endorse and collect any drafts or other instruments, documents and chattel paper, in connection with clause (a) above; and
  - (c) to file any claims or take any action or institute any proceedings that the Grantee may deem necessary or desirable to enforce the rights of the Grantee with respect to any of the Intellectual Property Collateral.
- Section 8. The Grantee May Perform. If the Grantors fail to perform any agreement contained herein, the Grantee may itself, upon ten (10) days' prior notice to said Grantors, perform, or cause performance of, such agreement, and the reasonable expenses of the Grantee incurred in connection therewith shall be borne by said Grantors.
- Section 9. The Grantee's Duties. The powers conferred on the Grantee hereunder are solely to protect its interest in the Intellectual Property Collateral and shall not impose any duty upon it to exercise any such powers. Except for the safe custody of any Intellectual Property Collateral in its possession and the accounting for moneys actually received by it hereunder, or as otherwise required by applicable law, the Grantee shall have no duty as to any Intellectual Property Collateral, whether or not the Grantee has or is deemed to have knowledge of such matters, or as to the taking of any necessary steps to preserve rights against any parties or any other rights pertaining to any Intellectual Property Collateral. The Grantee shall exercise

reasonable care in the custody and preservation of any Intellectual Property Collateral in its possession and shall accord such Intellectual Property Collateral treatment equal to that which the Grantee accords its own property of such kind.

- Section 10. Remedies. If any Event of Default shall have occurred and be continuing:
- The Grantee may exercise in respect of the Intellectual Property Collateral, in addition to other rights and remedies provided for herein or in any Other Document or otherwise available to it, all the rights and remedies of a secured party upon default under the Uniform Commercial Code in effect in the State of New York at such time (the "New York Uniform Commercial Code") (whether or not the New York Uniform Commercial Code applies to the affected Intellectual Property Collateral) and also may, in accordance with applicable law (i) require the Grantors to, and the Grantors hereby agree that they will at their expense and upon reasonable request of the Grantee forthwith, assemble all or part of the documents and things embodying any part of the Intellectual Property Collateral as directed by the Grantee and make them available to the Grantee at a place and time to be reasonably designated by the Grantee; (ii) without notice except as specified below and as required by law, sell the Intellectual Property Collateral or any part thereof in one or more parcels at public or private sale, at any of the Grantee's offices or elsewhere, for cash, on credit or for future delivery, and upon such other terms as are commercially reasonable; and (iii) subject to the rights of third parties, occupy any premises owned or leased by the Grantors where documents and things embodying the Intellectual Property Collateral or any part thereof are assembled or located for a reasonable period in order to effectuate its rights and remedies hereunder or under law, without obligation to the Grantors in respect of such occupation. In the event of any sale, assignment, or other disposition of any of the Intellectual Property Collateral, the goodwill of the business connected with and symbolized by any of the Intellectual Property Collateral subject to such disposition will be included, and the Grantors will supply to the Grantee or its designee the Grantors' know-how and expertise, and documents and things embodying the same, relating to the manufacture, distribution, advertising and sale of products or the provision of services relating to any Intellectual Property Collateral subject to such disposition and, including, but not limited to, the Grantors' customer lists and other records and documents relating to such Intellectual Property Collateral and to the manufacture, distribution, advertising and sale of such products and services. The Grantors agree that, to the extent notice of sale shall be required by law, at least ten (10) days' prior notice to the Grantors of the time and place of any public sale or the time after which any private sale is to be made will constitute reasonable notification. The Grantee shall not be obligated to make any sale of Intellectual Property Collateral regardless of notice of sale having been given. The Grantee 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 except as required by law, be made at the time and place to which it was so adjourned.
- (b) All cash proceeds received by the Grantee in respect of any sale of, collection from, or other realization upon, all or any part of the Intellectual Property Collateral pursuant to this Section 10 may, in the discretion of the Grantee, be held by the Grantee as collateral for, and/or then or at any time thereafter applied (after payment of any amounts payable to the Grantee pursuant to Section 11(b)), in whole or in part, by the

Grantee, for its benefit against all or any part of the Secured Obligations in such order as the Loan Agreement may require. Any surplus of such cash or cash proceeds held by the Grantee and remaining after payment in full of all of the Secured Obligations shall be paid over to the Grantors or to whomever may be lawfully entitled to receive such surplus.

- (c) During the existence of an Event of Default, the Grantee may exercise any and all rights and remedies of the Grantors in respect of the Intellectual Property Collateral.
- (d) All payments received by the Grantors in respect of any sale, lease, transfer or other disposition of Intellectual Property Collateral (except as permitted under the Loan Agreement) shall be received in trust for the benefit of the Grantee, shall be segregated from other funds of the Grantors and shall be forthwith paid over to the Grantee in the same form as so received (with any necessary or desirable endorsement or assignment).

#### Section 11. <u>Indemnity and Expenses</u>.

- (a) The Grantors hereby agree to indemnify the Grantee from and against any and all claims, losses and liabilities arising out of or resulting from this Agreement (including, without limitation, enforcement of this Agreement), except claims, losses or liabilities resulting from the Grantee's gross negligence or willful misconduct as determined by a final non-appealable judgment of a court of competent jurisdiction.
- (b) The Grantors will, upon demand, pay to the Grantee the amount of any and all reasonable expenses, including the reasonable fees and expenses of its counsel and of any experts and Grantee, that the Grantee 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 Intellectual Property Collateral, (iii) the exercise or enforcement of any of the rights of the Grantee hereunder or (iv) the failure by the Grantors to perform or observe any of the provisions hereof.
- Section 12. <u>Security Interest Absolute</u>. The obligations of the Grantors under this Agreement are independent of the Obligations, and a separate action or actions may be brought and prosecuted against the Grantors to enforce this Agreement, irrespective of whether any action is brought against the Borrowers or whether the Borrowers is joined in any such action or actions. All rights of the Grantee and the pledge and security interest created hereunder, and all obligations of the Grantors hereunder, shall be absolute and unconditional, irrespective of:
  - (a) any lack of validity or enforceability of any Other Document or any other agreement, instrument or document relating thereto;
  - (b) any change in the time, manner or place of payment of, or in any other term of, all or any of the Obligations or any other amendment, restatement or other modification or waiver of or any consent to any departure from any Other Document, including, without limitation, any increase in the Obligations resulting from the extension of additional credit to the Borrowers or any Guarantor or any of their Subsidiaries or otherwise;

- (c) any taking, exchange, release or non-perfection of any other collateral, or any taking, release or amendment, restatement, other modification or waiver of or consent to any departure from any guaranty, for all or any of the Obligations;
- (d) any manner of application of collateral, or proceeds thereof, to all or any of the Obligations, or any manner of sale or other disposition of any collateral for all or any of the Obligations or any other assets of the Borrowers, the Grantors, any Guarantor or any of their Subsidiaries;
- (e) any change, restructuring or termination of the corporate structure or existence of the Borrowers, the Grantors, any Guarantor or any of their Subsidiaries; or
- (f) any other circumstance that might otherwise constitute a defense available to, or a discharge of, the Grantors or a third party grantor of a security interest.
- Section 13. Amendments, Waivers, Supplements, Etc.
- (a) No amendment or waiver of any provision of this Agreement, and no consent to any departure by the Grantors herefrom, shall in any event be effective unless the same shall be in writing and signed by the Grantee and the Grantors, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.
- (b) No failure on the part of the Grantee to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof; 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.
- (c) Upon the execution and delivery by any Person of an intellectual property security agreement supplement, in each case in substantially the form of Exhibit A hereto (each an "Intellectual Property Security Agreement Supplement"), (i) such Person shall be referred to as an "Additional Grantor" and shall be and become one of the Grantors, and each reference in this Agreement to "Grantors" shall also mean and be a reference to such Additional Grantor and each reference in any Other Document to a "Grantor" shall also mean and be a reference to such Additional Grantor, and (ii) the annexes attached to each Intellectual Property Security Agreement Supplement shall be incorporated into and become a part of and supplement Schedules I, II, III and IV, as appropriate, hereto and the Grantee may attach such annexes as supplements to such Schedules, and each reference to such Schedules shall mean and be a reference to such Schedules, as so supplemented.
- Section 14. <u>Addresses for Notices</u>. All notices and other communications provided for hereunder shall be in writing in the manner provided in the Loan Agreement.
- Section 15. <u>Continuing Security Interest, Assignments</u>. This Agreement shall create a continuing security interest in the Intellectual Property Collateral and shall remain in full force and effect until the indefeasible payment in full in cash of all of the Secured Obligations and be binding upon the Grantors, their successors and assigns.
- Section 16. Release and Termination. Upon any sale, lease, transfer or other disposition of any item of Intellectual Property Collateral in accordance with the terms of the Loan Agreement, the Grantee will, at the Grantors' expense, execute and deliver to the Grantors

such documents as the Grantors shall reasonably request to evidence the release of such item of Intellectual Property Collateral from the security interest granted hereby; provided, however, that (i) at the time of such request and such release, no Event of Default shall have occurred and be continuing or result therefrom; (ii) the Grantors shall have delivered to the Grantee, at least ten (10) days prior to the date of the proposed release, a written request for release describing the item of Intellectual Property Collateral and the terms of the sale, lease, transfer or other disposition in reasonable detail, including the price thereof and any expenses in connection therewith, together with a form of release for execution by the Grantee and a certification by the Grantors to the effect that the transaction is in compliance with the Documents and as to such other matters as the Grantee may request; and (iii) the proceeds of any such sale, lease, transfer or other disposition is applied in accordance with the Loan Agreement. Upon payment in full in cash of all of the Secured Obligations, this Agreement shall be immediately terminated without further action by any Person and Grantee will, at Grantors' expense, execute and deliver to Grantors such documents as the Grantors shall reasonably request to evidence the release of the Intellectual Property Collateral from such security interest, including UCC termination statements and filing a Notice of Termination at the United States Patent and Trademark Office.

Section 17. Execution in Counterparts. This Agreement may be executed in any number of counterparts and by the different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by telecopier shall be as effective as delivery of a manually executed counterpart of this Agreement.

Section 18. Governing Law; Terms. This Agreement shall be governed by and construed in accordance with the laws of the State of New York (without giving effect to its conflicts of law principles), except to the extent that the validity or perfection of the security interest hereunder, or remedies hereunder, in respect of the Intellectual Property Collateral are governed by the laws of a jurisdiction other than the State of New York. Unless otherwise defined herein, terms used in Article 9 of the New York Uniform Commercial Code are used herein as therein defined.

[The remainder of this page has been left blank intentionally.]

IN WITNESS WHEREOF, the Grantors have caused this Intellectual Property Security Agreement to be duly executed and delivered by its officer, thereunto duly authorized, as of the date first above written.

PCI-A HOLDING CORP., as Borrower

Name:

PCI HOLDING CORP., as Borrower

ACCEPTED AND ACKNOWLEDGED BY:

PNC BANK, NATIONAL ASSOCIATION, as AGENT

Stephen P. Kanarian Name:

Title:

Vice President

	My Commission Expires:  CLARISSE NICOLE THOMAS, Notary Public My Commission Expires January 24, 2008	
Given under my hand and seal at Boston, Ma		
PCI Holding Corp., the corporations named in and very being duly authorized he/she did execute the foregotherein named, and that the foregoing instrument is corporations.	which executed the foregoing instrument, that sing instrument on behalf of the corporations	at
On this 11 <sup>th</sup> day of October, 2002, before personally known, who, being by me duly sworn, dient of PCI-A Holding Co	id depose and say that he/she is the	
COUNTY OF SUFFOLK	)	
COMMONWEALTH OF MASSACHUSETTS	) ) SS.	

COMMONWEALTH OF MASSACHUSETTS	)	
	)	SS
COUNTY OF SUFFOLK	)	

On this time day of October, 2002, before me appeared Stephen P. Kanarian to me personally known, who, being by me duly sworn, did depose and say that he is the Vice President of PNC Bank, National Association, the national bank named in and which executed the foregoing instrument, that being duly authorized he/she did execute the foregoing instrument on behalf of the national bank therein named, and that the foregoing instrument is the free and authorized act and deed of said national bank.

Given under my hand and seal at Boston, Massachusetts this  $\mu^{\uparrow \gamma \gamma}$  day of October, 2002.

Notary Public Jivan & Sporish My Commission Expires: July 2,2004

#### **EXHIBIT A**

to

#### **Intellectual Property Security Agreement**

# FORM OF INTELLECTUAL PROPERTY SECURITY AGREEMENT SUPPLEMENT

PNC Bank, National Association, as Agent under the Loan Agreement referred to below Attention:

Re:

Intellectual Property Security Agreement dated as of October 11, 2002 made by PCI-A Holding Corp. and PCI Holding Corp., (the "Grantors"), for the benefit of PNC Bank, National Association, as Agent (the "Grantee")

#### Ladies and Gentlemen:

Reference is made to the above-captioned Intellectual Property Security Agreement (such Intellectual Property Security Agreement, as in effect on the date hereof and as it may hereafter be amended, supplemented, restated or otherwise modified from time to time, being the "Intellectual Property Security Agreement") made by the Grantors to the Grantee. The terms defined in the Intellectual Property Security Agreement (or in the Loan Agreement referred to therein (the "Loan Agreement") and not otherwise defined herein are used herein as therein defined.

The undersigned hereby agrees, as the date first above written, to become one of the Grantors under the Intellectual Property Security Agreement as if it were an original party thereto and agrees that each reference in the Intellectual Property Security Agreement to "Grantors" shall also mean and be a reference to the undersigned.

The undersigned hereby pledges to the Grantee, and hereby grants to the Grantee, for its benefit, as security for the Secured Obligations a security interest in, all of the right, title and interest of the undersigned, whether now owned or hereafter acquired, in and to Intellectual Property Collateral owned by the undersigned, including, but not limited to, the property listed on Annex I, II, III and IV hereto. Schedules I, II, III and IV to the Intellectual Property Security Agreement are hereby supplemented by Annexes I, II, III and IV hereto, respectively. The undersigned hereby certifies on behalf of such Grantors that such Annexes have been prepared by the undersigned in substantially the form of Schedules I, II, III and IV to the Intellectual Property Security Agreement and are true, accurate and complete in all material respects as of the date hereof.

The undersigned on behalf of such Grantors hereby makes each representation and warranty set forth in Section 4 of the Intellectual Property Security Agreement (as supplemented

by the attached Annexes) to the same extent as each of the other Grantors and hereby agrees to be bound as one of the Grantors by all of the terms and provisions of the Intellectual Property Security Agreement to the same extent as the other Grantors.

This Intellectual Property Security Agreement Supplement shall be governed by and construed in accordance with the laws of the State of New York.

Very truly yours,

[NAME OF ADDITIONAL
INTELLECTUAL PROPERTY
GRANTOR]

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

Schedule I: Patents

None.

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## Schedule II: Service Marks

Each of the following marks is owned by

<u>Mark</u>	Serial #	Registration No.	Appl. Filing <u>Date</u>	Comments
The Care you NeedIn the Place you know by Heart	75726994	2333143	June 11, 1999	Registrant: Patient Care, Inc.
Elder Care Solutions		KY Reg. No. 09895.02		Limited protection afforded
Patient Care		NJ Reg. No. S-17654		Limited protection afforded
	and the state of t			

Schedule III: Copyrights

None.

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## Schedule IV: License Agreements

None (other than readily available commercial software products).

LIBC/1596728.3

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LIBC/1596728.2

RECORDED: 04/16/2004