

MRD 5-13-04

05-14-2004

Form PTO-1594 (Rev. 03/01) OMB No. 0851-0027 (exp. 5/31/2002) Tab settings

RE: 7

U.S. DEPT OF COMMERCE Patent and Trademark Office

102707064

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

<p>1. Name of conveying party(ies): H. MUEHLSTEIN & CO., INC.</p> <p><input type="checkbox"/> Individual(s) <input type="checkbox"/> Association <input type="checkbox"/> General Partnership <input type="checkbox"/> Limited Partnership <input checked="" type="checkbox"/> Corporation-State NEW YORK <input type="checkbox"/> Other _____</p> <p>Additional name(s) of conveying party(ies) attached? <input type="checkbox"/> Yes <input type="checkbox"/> No</p>	<p>2. Name and address of receiving party(ies) Name: CITICORP USA, INC., AS AGENT Internal Address: _____ Street Address: 338 GREENWICH STREET City: NEW YORK State: N.Y. Zip: 10013</p> <p><input type="checkbox"/> Individual(s) citizenship _____ <input type="checkbox"/> Association _____ <input type="checkbox"/> General Partnership _____ <input type="checkbox"/> Limited Partnership _____ <input checked="" type="checkbox"/> Corporation-State DELAWARE <input type="checkbox"/> Other _____</p> <p>If assignee is not domiciled in the United States, a domestic representative designation is attached: <input type="checkbox"/> Yes <input type="checkbox"/> No (Designations must be a separate document from assignment) Additional name(s) & address(es) attached? <input type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>3. Nature of conveyance: <input type="checkbox"/> Assignment <input type="checkbox"/> Merger <input type="checkbox"/> Security Agreement <input type="checkbox"/> Change of Name <input checked="" type="checkbox"/> Other AMENDED AND RESTATED HMC TRADEMARK SECURITY AGREEMENT Execution Date: APRIL 14, 2004</p>	<p>4. Application number(s) or registration number(s): A. Trademark Application No.(s) B. Trademark Registration No.(s)</p> <p>Additional number(s) attached <input type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>5. Name and address of party to whom correspondence concerning document should be mailed: Name: _____ Attn: Penelope J.A. Agodoa Federal Research Company, LLC 1030 15th Street, NW, Suite 920 Washington, DC 20005 202.783.2700 Street Address: _____ City: _____ State: _____ Zip: _____</p>	<p>6. Total number of applications and registrations involved: 8</p> <p>7. Total fee (37 CFR 3.41)..... 215⁰⁰</p> <p><input type="checkbox"/> Enclosed <input type="checkbox"/> Authorized to be charged to deposit account</p> <p>8. Deposit account number: _____ (Attach duplicate copy of this page if paying by deposit account)</p>

DO NOT USE THIS SPACE

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.

JUDY CROWDER AS AGENT JUDY CROWDER AS AGENT 05-11-04
Name of Person Signing Signature Date

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

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

05/14/2004 EDDPER 00000189 2258942

01 FC:8521 40.00 DP
02 FC:8522 200.00 DP
03 FC:8524 120.00 DP

Schedule A to Trademark Security Agreement

Country	Trademark/Copyright/ Class	Status	Reg. No./ Reg. Date	Comments
Argentina	MUEHLSTEIN LOGO (Class 1)	Registered	1643506 Sept. 3, 1997	Renewal Due Date • Sept. 3, 2007
Argentina	MUEHLSTEIN LOGO (Class 17)	Registered	1643507 Sept. 3, 1997	Renewal Due Date • Sept. 3, 2007
Argentina	CHANNEL POLYMERS LOGO (Class 1)	Registered	1747899 Aug. 6, 1999	Renewal Due Date • Aug. 6, 2009
Argentina	CHANNEL POLYMERS LOGO (Class 17)	Registered	1747890 Aug. 6, 1999	Renewal Due Date • Aug. 6, 2009
Argentina	"NEW KID" LOGO (Class 1)	Registered	1,854,152 Nov. 30, 2001	Renewal Due Date • Nov. 30, 2011
Canada	CHANNEL POLYMERS (WORD MARK) (Classes 1, 17 & 42)	Registered	488,855 Jan. 30, 1998	Renewal Due Date • Jan. 30, 2013
Canada	CHANNEL POLYMERS (WORD MARK) (Class 1)	Registered	489,192 Feb. 3, 1998	Renewal Due Date • Feb. 3, 2013
Canada	CHANNEL POLYMERS LOGO (Classes 1, 17 & 42)	Registered	489,127 Feb. 3, 1998	Renewal Due Date • Feb. 3, 2013
Canada	NEW KID LOGO (Class 1)	Pending	1,048,852	
Canada	MOLECULE LOGO	Pending	1,199,903	
Mexico	CHANNEL POLYMERS (WORD MARK) (Class 1)	Registered	613700 June 17, 1999	Renewal Due Date: • July 17, 2006
Mexico	CHANNEL POLYMERS (WORD MARK) (Class 17)	Registered	613701 June 17, 1999	Renewal Due Date: • July 17, 2006
Mexico	CHANNEL POLYMERS (WORD MARK) (Class 39)	Registered	613702 June 17, 1999	Renewal Due Date: • July 17, 2006
Mexico	CHANNEL POLYMERS LOGO (Class 1)	Registered	633339 Nov. 25, 1999	Renewal Due Date: • July 17, 2006
Mexico	CHANNEL POLYMERS LOGO (Class 17)	Registered	633340 Nov. 25, 1999	Renewal Due Date: • July 17, 2006
Mexico	CHANNEL POLYMERS LOGO (Class 39)	Registered	633341 Nov. 25, 1999	Renewal Due Date: • July 17, 2006
Mexico	"NEW KID" LOGO (Class 1)	Registered	671,125 Aug. 31, 2000	Renewal Due Date: • June 23, 2010
Mexico	MUEHLSTEIN (WORD MARK) (Class 17)	Registered	814,203 Nov. 25, 2003	Renewal Due Date: August 11, 2013
United States	CHANNEL POLYMERS (WORD MARK) (Classes 1, 17 & 35)	Registered	2,258,942 ✓ July 6, 1999	Declaration Due: • July 6, 2005 Renewal Due Date: • July 6, 2009
United States	"M" & COMPASS LOGO (Class 1)	Registered	742,793 ✓ Jan. 1, 1963	Renewal Due Date: • January 1, 2013

NYK 899680-1.042066.0032

Schedule A to Trademark Security Agreement

Country	Trademark/Copyright/ Class	Status	Reg. No./ Reg. Date	Comments	
United States	FAST-TRAX (Class 35)	Registered	2,727,717 ✓ June 17, 2003	Declaration Due: • June 17, 2009 Renewal Due Date: • June 17, 2013	3
United States	"M" LOGO (Class 17)	Registered	2,794,459 ✓ Dec. 16, 2003	Renewal Due Date: • Dec. 16, 2013	4
United States	MOLECULE LOGO (Class 17)	Registered	2,794,458 ✓ Dec. 16, 2003	Renewal Due Date: • Dec. 16, 2013	5
United States	AQUATUF (Class 1)	Registered	2,607,998 ✓ Aug. 13, 2002	Declaration Due: • Aug. 13, 2008 Renewal Due Date: • Aug. 13, 2012	6
United States	CERTENE (Class 1)	Registered	2,425,459 ✓ Jan. 30, 2001	Declaration Due: • Jan. 30, 2007 Renewal Due Date: • Jan. 30, 2011	7
United States	"SUBMIT OFFER FOR FLOOR PRICE MECHANISM" (copywrite)	Registered		Copyright is good for 95 years from first publication (distribution of the work by sale or other transfer of ownership) or 120 years from first creation, whichever expires first.	
United States	METHOD FOR PURCHASING OVER A NETWORK (patent)	Registered			
United States	"NEW KID" LOGO (Class 1)	Registered	2,645,026 ✓ Nov. 5, 2002	Declaration Due: • Nov. 5, 2008 Renewal Due Date: • Nov. 5, 2012	8

NYK 899680-1.042066.0032

AMENDED AND RESTATED HMC TRADEMARK SECURITY AGREEMENT

THIS AMENDED AND RESTATED HMC TRADEMARK SECURITY AGREEMENT ("Agreement") is made as of April 14, 2004, by and between H. MUEHLSTEIN & CO., INC., a New York corporation ("HMC") and CITICORP USA, INC. ("Citicorp"), in its capacity as agent for the Lenders and the Issuing Banks (with its successors and permitted assigns in such capacity, the "Agent") under that certain Second Amended and Restated Credit Agreement dated as of the date hereof among HMC, Muehlstein Holding Corporation, a Delaware corporation ("Holdings"), Pegasus Polymers International Inc., a Connecticut corporation ("Pegasus International"), Muehlstein International, Ltd., a New York corporation ("Muehlstein International"), Pegasus Polymers Benelux Inc., a Delaware corporation ("Pegasus Benelux"), Trinity Specialty Compounding, Inc., a Delaware corporation ("Trinity"), Channel-Prime Alliance LLC, a Delaware limited liability company ("Channel Prime"), Muehlstein Americas LLC, a Delaware limited liability company ("Americas"), Pegasus Polymers Europe Inc., a Delaware corporation ("Pegasus Europe"), H. Muehlstein & Co. (CANADA), a Nova Scotia unlimited liability company (the "Canadian Borrower"; and together with HMC, Pegasus International, Muehlstein International, Americas and Pegasus Europe, the "Borrowers"), the institutions from time to time party thereto as Lenders (the "Lenders"), the institutions from time to time a party thereto as Issuing Banks (the "Issuing Banks"), Citibank Canada, a Canadian chartered bank, in its capacity as agent for the Canadian Lenders and the Canadian Issuing Banks thereunder (the "Canadian Agent") and the Agent (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement") and the Agent.

W I T N E S S E T H:

WHEREAS, HMC is a party to (i) the Credit Agreement, pursuant to which the Lenders and the Issuing Banks have agreed to make Loans, Issue Letters of Credit and extend other financial accommodations to HMC from time to time and (ii) the Amended and Restated Tranche A Borrower Guaranty, pursuant to which HMC has unconditionally guaranteed the full and punctual payment when due of all of the Obligations of the other Tranche A Borrowers;

WHEREAS, HMC was party to that certain Amended and Restated Credit Agreement dated as of February 9, 1996 (the "Existing Credit Agreement") among Holdings, Pegasus International, Muehlstein International, H. Muehlstein & Co. (Canada) Limited, the institutions from time to time party thereto as lenders, the institutions from time to time party thereto as issuing banks, agents (each as defined in the Credit Agreement) and the Agent, and the Existing Credit Agreement has been amended and restated in its entirety by the Credit Agreement;

WHEREAS HMC has entered into that certain Company Trademark Security Agreement dated as of February 9, 1996, by and between HMC and the Agent (the "Existing Trademark Security Agreement") in connection with the Existing Credit Agreement pursuant to which HMC has granted to the Agent, for the benefit of the Holders, Liens on certain of its assets to secure the payment and performance of the indebtedness, obligations and liabilities under the

Existing Credit Agreement and the “Loan Documents” (as defined in the Existing Credit Agreement);

WHEREAS, HMC and the Agent are parties to that certain Amended and Restated Tranche A Security Agreement of even date herewith (as the same may hereafter be amended, restated, supplemented or otherwise modified from time to time, the “Security Agreement”), pursuant to which HMC has granted a security interest in certain of its assets to the Agent for the benefit of the Agent, the Canadian Agent, the Lenders, the Issuing Banks and the other Holders (each individually a “Secured Party”, and collectively, the “Secured Parties”); and

WHEREAS, in order to secure the prompt and complete payment, observance and performance of (i) all of HMC’s Obligations and (ii) all of HMC’s obligations and liabilities hereunder and in connection herewith (all such Obligations and such obligations and liabilities hereunder being hereinafter referred to as the “Liabilities”), the Secured Parties have required as a condition, among others, to entering into the Credit Agreement that HMC execute and deliver this 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, HMC agrees as follows:

1. Defined Terms.

(a) Unless otherwise defined herein, each capitalized term used herein that is defined in the Credit Agreement shall have the meaning specified for such term in the Credit Agreement.

(b) The words “hereof,” “herein,” “hereby” and “hereunder” and words of like import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and section references are to this Agreement unless otherwise specified.

(c) All terms defined in this Agreement in the singular shall have comparable meanings when used in the plural, and vice versa, unless otherwise specified.

2. Incorporation of Premises. The premises set forth above are incorporated into this Agreement by this reference thereto and are made a part hereof.

3. Security Interest in Trademarks. To secure the complete and timely payment, performance and satisfaction of all of the Liabilities, HMC hereby reconfirms the grant under the Existing Trademark Security Agreement and grants to the Agent, for the benefit of the Secured Parties, a security interest in, as and by way of a first mortgage and security interest having priority over all other security interests, with power of sale to the extent permitted by applicable law, all of HMC’s now owned or existing and hereafter acquired or arising:

(i) trademarks, registered trademarks, trademark applications, service marks, registered service marks and service mark applications, including, without limitation, the trademarks, registered trademarks, trademark applications, service marks, registered

service marks and service mark applications listed on Schedule A attached hereto and made a part hereof, and (a) all renewals thereof, (b) all income, royalties, damages and payments now and hereafter due and/or payable under and with respect thereto, including, without limitation, payments under all licenses entered into in connection therewith and damages and payments for past or future infringements or dilutions thereof, (c) the right to sue for past, present and future infringements and dilutions thereof, (d) the goodwill of HMC's business symbolized by the foregoing and connected therewith, and (e) all of HMC's rights corresponding thereto throughout the world (all of the foregoing trademarks, registered trademarks and trademark applications, and service marks, registered service marks and service mark applications, together with the items described in clauses (a) through (e) in this Paragraph 3(i), are sometimes hereinafter individually and/or collectively referred to as the "Trademarks"); and

(ii) rights under or interest in any trademark license agreements or service mark license agreements with any other party, whether HMC is a licensee or licensor under any such license agreement, including, without limitation, those trademark license agreements and service mark license agreements listed on Schedule B attached hereto and made a part hereof, in each case to the extent assignable without violation thereof, together with any goodwill connected with and symbolized by any such trademark license agreements or service mark license agreements, and the right to prepare for sale and sell any and all Inventory now or hereafter owned by HMC and now or hereafter covered by such licenses (all of the foregoing are hereinafter referred to collectively as the "Licenses").

4. Restrictions on Future Agreements. HMC will not, without the Agent's prior written consent (which shall not be unreasonably withheld), enter into any agreement, including, without limitation, any license agreement, which is inconsistent with this Agreement, and HMC further agrees that it will not take any action, and will use its best efforts not to permit any action to be taken by others, including, without limitation, licensees, or fail to take any action, which would in any respect affect the validity or enforcement of the rights transferred to the Agent under this Agreement or the rights associated with any material Trademarks or Licenses.

5. New Trademarks and Licenses. HMC represents and warrants that, from and after the Closing Date, to its Knowledge after reasonable inquiry, (a) the Trademarks listed on Schedule A include all of the registered trademarks, trademark applications, registered service marks and service mark applications now owned or held by HMC, (b) the Licenses listed on Schedule B include all of the trademark license agreements and service mark license agreements under which HMC is the licensee or licensor and which are material individually or in the aggregate to the operation of the business of HMC and (c) other than the rights of any party to the Licenses with respect to the Trademarks and Liens permitted by Section 9.03 of the Credit Agreement, no liens, claims or security interests in such Trademarks and Licenses have been granted by HMC to any Person other than the Agent. If, prior to the termination of this Agreement, HMC shall (i) obtain rights to any new trademarks, registered trademarks, trademark applications, service marks, registered service marks or service mark applications, (ii) become entitled to the benefit of any trademarks, registered trademarks, trademark applications, trademark licenses, trademark license renewals, service marks, registered service marks, service mark applications, service mark licenses or service mark license renewals, whether as licensee or

licensor, or (iii) enter into any new trademark license agreement or service mark license agreement, the provisions of Paragraph 3 above shall automatically apply thereto. HMC shall give to the Agent written notice of events described in clauses (i), (ii) and (iii) of the preceding sentence not less frequently than on an annual basis. HMC hereby authorizes the Agent to modify this Agreement unilaterally, upon reasonable notice to HMC thereof, (i) by amending Schedule A to include any future trademarks, registered trademarks, trademark applications, service marks, registered service marks and service mark applications owned or held by HMC or to prepare this Agreement for filing with the Patent and Trademark Office and by amending Schedule B to include any trademark license agreements and service mark license agreements to which HMC becomes a party, which are Trademarks or Licenses under Paragraph 3 above or under this Paragraph 5, and (ii) by filing, in addition to and not in substitution for this Agreement, a duplicate original of this Agreement containing on Schedule A or B thereto, as the case may be, such future trademarks, registered trademarks, trademark applications, service marks, registered service marks and service mark applications, and trademark license agreements and service mark license agreements.

6. Royalties. HMC hereby agrees that the use by the Agent of the Trademarks and Licenses as authorized hereunder in connection with the Agent's exercise of its rights and remedies under Paragraph 14 hereof or pursuant to Section 8 of the Security Agreement shall be coextensive with HMC's rights thereunder and with respect thereto and without any liability for royalties or other related charges from the Secured Parties to HMC.

7. Further Assignments and Security Interests. HMC agrees (i) except as provided in Section 9.02 of the Credit Agreement, not to sell or assign its respective interests in, or grant any license under, the Trademarks or the Licenses without the prior and express written consent of the Agent and (ii) to maintain the quality of such products as of the date hereof.

8. Nature and Continuation of the Agent's Security Interest; Termination of the Agent's Security Interest; Release of Collateral.

(a) This Agreement is made for collateral security purposes only. This Agreement shall create a continuing security interest in the Trademarks and Licenses and shall terminate only upon the satisfaction of the conditions specified in Section 12.09(c)(i)(A) of the Credit Agreement. Upon such termination and at the written request of HMC or its successors or assigns, and at the cost and expense of HMC or its successors or assigns, the Agent shall execute in a timely manner such instruments, documents or agreements as are reasonably necessary or reasonably desirable to terminate the Agent's security interest in the Trademarks and the Licenses, subject to any disposition thereof which may have been made by the Agent pursuant to this Agreement or the Security Agreement.

(b) Notwithstanding anything in this Agreement to the contrary, HMC may, to the extent permitted by Section 9.02 of the Credit Agreement sell, assign, transfer or otherwise dispose of any Trademarks and any Licenses. In addition, the Trademarks and Licenses shall be subject to release from time to time (with the Trademarks and Licenses referred to in the immediately preceding sentence, the "Released Collateral") in accordance with Section 12.09(c)(i)(A) of the Credit Agreement. The Liens under this Agreement shall automatically terminate with respect to the Released Collateral upon such sale, transfer, assignment,

disposition or release, and upon the request of HMC, the Agent shall execute and deliver such instrument or document as may be reasonably necessary to release the Liens granted hereunder; provided, however, that (i) the Agent shall not be required to execute any such documents on terms which, in the Agent's opinion, would expose the Agent to liability or create any obligation other than the release of such Liens without recourse or warranty, and (ii) such release shall not in any manner discharge, affect or impair the Liabilities or any Liens on (or obligations of HMC in respect of) assets which continue to constitute Trademarks and Licenses, including, without limitation, all reversionary rights of HMC with respect to the Released Collateral and the proceeds of any sale, all of which shall continue to constitute part of the Trademarks and Licenses.

9. Duties of HMC; The Agent's Duty of Care. HMC shall have the duty, to the extent it deems appropriate in the normal conduct of HMC's business, to: (i) prosecute diligently any material trademark application or service mark application that is part of the Trademarks pending as of the date hereof or hereafter until the termination of this Agreement, and (ii) make application for the registration of trademarks or service marks used or adopted by HMC. HMC further agrees (x) not to abandon any material Trademark or License without the prior written consent of the Agent, and (y) to use its reasonable best efforts to obtain and maintain in full force and effect the Trademarks and the Licenses that are or shall be reasonably necessary or reasonably desirable in the operation of HMC's business. Any expenses incurred in connection with the foregoing shall be borne by HMC. The Agent shall not be liable for any acts, omissions, errors of judgment or mistakes of fact or law including, without limitation, acts, omissions, errors or mistakes with respect to the Collateral, except for those arising out of or in connection with the Agent's (i) gross negligence or willful misconduct, or (ii) material breach of a material provision of this Agreement. Without limiting the generality of the foregoing, none of the Secured Parties shall be under any obligation to take any steps necessary to preserve rights in the Trademarks or Licenses against any other parties, but the Agent may do so at its option, and all reasonable expenses incurred in connection therewith shall be for the sole account of HMC and shall be added to the Liabilities secured hereby.

10. The Agent's Right to Sue. From and after the occurrence of an Event of Default, the Agent shall have the right, but shall not be obligated, to bring suit in its own name to enforce the Trademarks and the Licenses and, if the Agent shall commence any such suit, HMC shall, at the request of the Agent, do any and all lawful acts and execute any and all proper documents reasonably required by the Agent in aid of such enforcement. HMC shall, upon demand, promptly reimburse the Agent for all reasonable costs and expenses incurred by the Agent in the exercise of its rights under this Paragraph 10 (including, without limitation, reasonable fees and expenses of attorneys for the Agent).

11. Waivers. The Agent's failure, at any time or times hereafter, to require strict performance by HMC of any provision of this Agreement shall not waive, affect or diminish any right of the Agent thereafter to demand strict compliance and performance therewith nor shall any course of dealing between HMC and the Agent have such effect. No single or partial exercise of any right hereunder shall preclude any other or further exercise thereof or the exercise of any other right. None of the undertakings, agreements, warranties, covenants and representations of HMC contained in this Agreement shall be deemed to have

been suspended or waived by the Agent unless such suspension or waiver is in writing signed by an officer of the Agent and directed to HMC specifying such suspension or waiver.

12. Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but the provisions of this Agreement are severable, and if any clause or provision shall be held invalid and unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part hereof, in such jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction, or any other clause or provision of this Agreement in any jurisdiction.

13. Modification. This Agreement cannot be altered, amended or modified in any way, except as specifically provided in Paragraph 5 hereof or by a writing signed by the parties hereto.

14. Cumulative Remedies; Power of Attorney. HMC hereby designates, constitutes and appoints the Agent (and all Persons designated by the Agent in its sole and absolute discretion) as HMC's true and lawful attorney-in-fact, and, upon the occurrence and during the continuance of an Event of Default, authorizes the Agent and any of the Agent's designees, in HMC's or the Agent's name, to take any action and execute any instrument which the Agent may deem reasonably necessary or reasonably desirable to accomplish the purposes of this Agreement, including, without limitation, to (subject, where applicable, to the provisions of the Loan Documents) (i) endorse HMC's name on all applications, documents, papers and instruments reasonably necessary or reasonably desirable for the Agent in the use, prosecution or protection of the Trademarks or the Licenses, (ii) assign, pledge, convey or otherwise transfer title in or dispose of the Trademarks or the Licenses to anyone on commercially reasonable terms, (iii) grant or issue any exclusive or nonexclusive license under the Trademarks or under the Licenses, to anyone on commercially reasonable terms, and (iv) take any other actions with respect to the Trademarks or, to the extent permitted, the Licenses as any of the Secured Parties deems in its or their own best interest. HMC hereby ratifies all that such attorney shall lawfully do or, to the extent permitted, cause to be done by virtue hereof. This power of attorney is coupled with an interest and shall be irrevocable until all of the Obligations shall have been Paid In Full and the Revolving Credit Commitments shall have been terminated. HMC acknowledges and agrees that this Agreement is not intended to limit or restrict in any way the rights and remedies of the Secured Parties under the Security Agreement, but rather is intended to facilitate the exercise of such rights and remedies.

The Agent shall have, in addition to all other rights and remedies given it by the terms of this Agreement, all rights and remedies allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in any jurisdiction in which the Trademarks or the Licenses may be located or deemed located. Upon the occurrence of an Event of Default and the election by the Agent to exercise any of its remedies under Section 9-504 or Section 9-505 of the Uniform Commercial Code with respect to the Trademarks and Licenses, HMC agrees to assign, convey and otherwise transfer title in and to the Trademarks and the Licenses to the Agent or any transferee of the Agent and to execute and deliver to the Agent or any such transferee all such agreements, documents and instruments as may be reasonably necessary, in the Agent's sole discretion, to effect such assignment, conveyance and transfer. All

of the Agent's rights and remedies with respect to the Trademarks and the Licenses, whether established hereby, by the Security Agreement, by any other agreements or by law, shall be cumulative and may be exercised separately or concurrently. Notwithstanding anything set forth herein to the contrary, it is hereby expressly agreed that upon the occurrence of an Event of Default, the Agent may exercise any of the rights and remedies provided in this Agreement, the Security Agreement and any of the other Loan Documents. HMC agrees that any notification of intended disposition of any of the Trademarks and Licenses required by law shall be deemed reasonably and properly given if given at least ten (10) days before such disposition; provided, however, that the Agent may give any shorter notice that is commercially reasonable under the circumstances. Further, notwithstanding anything set forth herein to the contrary, in exercising any rights provided in this Agreement or any of the other Loan Documents the Agent shall not cause any of the Trademarks to be abandoned by assignment or conveyance of a Trademark separate from the goodwill symbolized by such mark.

15. Successors and Assigns. This Agreement shall be binding upon HMC and its successors and assigns, and shall inure to the benefit of each of the Secured Parties and their respective nominees, successors and assigns. HMC's successors and assigns shall include, without limitation, a receiver, trustee or debtor-in-possession of or for HMC; provided, however, that HMC shall not voluntarily assign or transfer its rights or obligations hereunder without the Agent's prior written consent.

16. Governing Law. **THIS AGREEMENT SHALL BE INTERPRETED, AND THE RIGHTS AND LIABILITIES OF THE PARTIES HERETO DETERMINED, IN ACCORDANCE WITH THE LAW OF THE STATE OF NEW YORK.**

17. Notices. All notices and other communications required or desired to be served, given or delivered hereunder shall be in writing and shall be served, given or delivered as provided in Section 13.08 of the Credit Agreement, and the terms of such Section are herein incorporated by reference.

18. Section Titles. The section titles herein are for convenience of reference only, and shall not affect in any way the interpretation of any of the provisions hereof.

19. Execution in Counterparts. This Agreement may be executed in any number of counterparts and by 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.

20. Consent to Jurisdiction and Service of Process. HMC agrees that the terms of Section 13.17 of the Credit Agreement with respect to consent to jurisdiction and service of process shall apply equally to this Agreement, and the terms of such Section are herein incorporated by reference.

21. WAIVER OF JURY TRIAL. **EACH OF HMC AND THE AGENT WAIVES ANY RIGHT TO TRIAL BY JURY IN ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT, OR OTHERWISE, BETWEEN THE AGENT AND HMC ARISING OUT OF OR RELATED TO THE TRANSACTIONS CONTEMPLATED**


BY THIS AGREEMENT OR ANY OTHER INSTRUMENT, DOCUMENT, OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HEREWITH. EITHER HMC OR THE AGENT MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS AGREEMENT WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE PARTIES HERETO TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.

22. Intercreditor Agreement. Certain provisions of this Agreement are subject to the provisions of the Intercreditor Agreement, provided that this Section 22 shall in no way benefit HMC or any successor or assign of HMC, including, without limitation, a debtor in possession or any trustee for the estate created by an Insolvency and Liquidation Proceeding (as defined in the Intercreditor Agreement).

23. No Novation. This Agreement is not intended as, and shall not be deemed, a novation of the Existing Trademark Security Agreement and the Liens granted to the Agent for the benefit of the Secured Parties under the Existing Trademark Security Agreement and this Agreement shall be continuing liens having the same priority as that occasioned by the Existing Trademark Security Agreement for the benefit of the Secured Parties.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement
as of the day and year first above written.

H. MUEHLSTEIN & CO., INC.

By: 
Name: William Markus
Title: Secretary and Assistant Treasurer

Accepted and agreed to as of the
day and year first above written.

CITICORP USA, INC.,
as Agent

By: _____
Name:
Title:

Amended and Restated HMC Trademark Security Agreement

TRADEMARK
REEL: 002852 FRAME: 0012


IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement
as of the day and year first above written.

H. MUEHLSTEIN & CO., INC.

By: _____
Name: William Markus
Title: Secretary and Assistant Treasurer

Accepted and agreed to as of the
day and year first above written.

CITICORP USA, INC.,
as Agent

By:  _____
Name: MILES D. McMANUS
Title: Vice President and Director

Amended and Restated HMC Trademark Security Agreement

TRADEMARK
REEL: 002852 FRAME: 0013

Schedule B to Trademark Security Agreement

Licence Agreements

Agreement between Mobil Oil Corporation ("Licensor") and Muehlstein Holding Corp. (f/k/a HMC Acquisition Corp.), dated February 9, 1996 for, among other things, the license of the word "Pegasus"), as amended.

NYK 899680-1.042066.0032

RECORDED: 05/13/2004

TRADEMARK
REEL: 002852 FRAME: 0014