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Form PTO-1594 (Rev. 10/02) OMB No. 0651-0027 (exp. 6/30/2005) Tab settings

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

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

1. Name of conveying party(ies): Pliant Solutions Corporation
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: General Electric Capital Corporation, as Collateral Agent, successor to Deutsche Bank Trust Company Americas
Street Address: 335 Madison Avenue, 12th Floor
City: New York State: NY Zip: 10017
Individual(s) citizenship
Association
General Partnership
Limited Partnership
Corporation-State New York
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: February 17, 2004

4. Application number(s) or registration number(s):
A. Trademark Application No.(s)
B. Trademark Registration No.(s)
See attached Schedule I
Additional number(s) attached Yes No

5. Name and address of party to whom correspondence concerning document should be mailed:
Name: Ms. Penelope Agadoa
Internal Address: Federal Research Corporation
Street Address: 1030 Fifteenth Street NW
City: Washington State: DC Zip: 20005

6. Total number of applications and registrations involved: 23
7. Total fee (37 CFR 3.41): \$590.00
Enclosed
Authorized to be charged to deposit account
8. Deposit account number:
(Attach duplicate copy of this page if paying by deposit account)

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.
Name: Marice Pilkington
Signature: [Handwritten Signature]
Date: 03/29/2004
Name of Person Signing Signature Date

Total number of pages including cover sheet, attachments, and document: 59

03/31/2004 EDDOPER 00000053 73675861
01 FC:8521
02 FC:8522
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Mail documents to be recorded with required cover sheet information to: Commissioner of Patent & Trademarks, Box Assignments Washington, D.C. 20231

TRADEMARK REEL: 002938 FRAME: 0241

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ASSIGNMENTS

UNITED STATES - PLIANT SOLUTIONS CORPORATION										
Country	Trademark	Sub Status	Curr Reg No	Reg Dt	Curr App No	App Dt	Expires	CL & NO	Current OWNER	
United States	COBRA	REGISTERED	1,516,393	13DE1988	73/675,861	31JL1987	13DE2008	IN 17	PLIANT SOLUTIONS CORPORATION	
United States	CON-TACT	REGISTERED	998,439	19NO1974	73/004,205	23OC1973	19NO2004	IN 16	PLIANT SOLUTIONS CORPORATION	
United States	CON-TACT	REGISTERED	642,136	26FE1957	72/013,886	13AU1956	26FE2007	IN 50	PLIANT SOLUTIONS CORPORATION	
United States	CON-TACT	REGISTERED	630,599	10JL1956	71/699,344	02DE1955	10JL2006	IN 20	PLIANT SOLUTIONS CORPORATION	
United States	CON-TACT (STYLIZED)	REGISTERED	615,845	08NO1955	71/670,713	27JL1954	08NO2005	IN 24	PLIANT SOLUTIONS CORPORATION	
United States	CON-TACT (STYLIZED)	REGISTERED	658,888	25FE1958	72/026,132	13MR1957	25FE2008	IN 50	PLIANT SOLUTIONS CORPORATION	
United States	CON-TACT (STYLIZED)	REGISTERED	627,275	22MY1956	71/688,978	06JE1955	22MY2006	IN 20	PLIANT SOLUTIONS CORPORATION	
United States	WHERE TECHNOLOGY DECORATES	REGISTERED	2,178,269	04AU1998	75/300,692	30MY1997	04AU2008	IN 16	PLIANT SOLUTIONS CORPORATION	
United States	CON-TACT CRYSTAL CLING	PENDING	N/A	N/A	78/192,656	09DE2002	N/A	IN 16	PLIANT SOLUTIONS CORPORATION	
United States	CON-TACT GRIP LINER	REGISTERED	2,401,497	07NO2000	75/676,137	06AP1999	07NO2010	IN 20	PLIANT SOLUTIONS CORPORATION	
United States	CRAF-TACT	PENDING	N/A	N/A	78/269,596	02JL2003	N/A	IN 16	PLIANT SOLUTIONS CORPORATION	
United States	DECORA ART	REGISTERED	2,168,574	23JE1998	75/240,720	12FE1997	23JE2008	IN 16	PLIANT SOLUTIONS CORPORATION	
United States	DECORA GLASS ART	REGISTERED	2,157,664	12MY1998	75/189,863	30OC1996	12MY2008	IN 16	PLIANT SOLUTIONS CORPORATION	
United States	DECORA TILE ART	REGISTERED	2,159,670	19MY1998	75/189,865	30OC1996	19MY2008	IN 16	PLIANT SOLUTIONS CORPORATION	
United States	DECORA WALL ART	REGISTERED	2,149,797	07AP1998	75/189,864	30OC1996	07AP2008	IN 16	PLIANT SOLUTIONS CORPORATION	
United States	DECOTAC	REGISTERED	2,153,000	21AP1998	75/126,233	27JE1996	21AP2008	IN 16	PLIANT SOLUTIONS CORPORATION	

UNITED STATES - PLIANT SOLUTIONS CORPORATION

Country	Trademark	Sub Status	Curr Reg No	Reg Dt	Curr App No	App Dt	Expires	CL & NO	Current OWNER
United States	FROSTY	REGISTERED	2,377,388	15AU2000	75/759,955	26JUL1999	15AU2010	IN 27	PLIANT SOLUTIONS CORPORATION
United States	IDEAS BY THE ROOMFUL	REGISTERED	2,332,543	21MR2000	75/687,506	21AP1999	21MR2010	IN 16	PLIANT SOLUTIONS CORPORATION
United States	READI-WRITE	PENDING	N/A	N/A	78/193,595	11DE2002	N/A	IN 16	PLIANT SOLUTIONS CORPORATION
United States	WALLPAPER FOR WINDOWS	REGISTERED	2,376,441	15AU2000	75/404,394	12DE1997	15AU2010	IN 42	PLIANT SOLUTIONS CORPORATION
United States	WE ARE HOME	REGISTERED	2,525,677	01JA2002	75/701,785	06MY1999	01JA2012	IN 20	PLIANT SOLUTIONS CORPORATION
United States	WEARLON	REGISTERED	1,869,137	27DE1994	74/415,905	22JL1993	27DE2004	IN 1	PLIANT SOLUTIONS CORPORATION
United States	WHERE TECHNOLOGY DECORATES	REGISTERED	2,178,269	04AU1998	75/300,692	30MY1997	04AU2008	IN 16	PLIANT SOLUTIONS CORPORATION

DOMESTIC SECURITY AGREEMENT dated as of February 17, 2004, among PLIANT CORPORATION, a Utah corporation (the "Parent Borrower"), each subsidiary of the Parent Borrower listed on Schedule I hereto (each such subsidiary individually a "Guarantor" and collectively, the "Guarantors"; the Guarantors and the Parent Borrower are referred to collectively herein as the "Grantors") and DEUTSCHE BANK TRUST COMPANY AMERICAS, a New York banking corporation ("DBTCA"), as collateral agent (in such capacity, the "Collateral Agent") for the Secured Parties (as defined herein).

Reference is made to (a) the Credit Agreement dated as of February 17, 2004 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among the Parent Borrower, the subsidiaries of the Parent Borrower party thereto as domestic subsidiary borrowers (the "Domestic Subsidiary Borrowers"), Uniplast Industries Co., a Nova Scotia company (the "Canadian Subsidiary Borrower" and, together with the Parent Borrower and the Domestic Subsidiary Borrowers, the "Borrowers"), the lenders from time to time party thereto (the "Lenders"), Credit Suisse First Boston, acting through its Cayman Islands Branch, as administrative agent (in such capacity, the "Administrative Agent") for the Lenders, the Collateral Agent, General Electric Capital Corporation, as co-collateral agent (the "Co-Collateral Agent"), and JPMorgan Chase Bank, as syndication agent (together with the Administrative Agent, the Collateral Agent and the Co-Collateral Agent, the "Agents"), and (b) the Guarantee Agreement dated as of February 17, 2004 (as amended, supplemented or otherwise modified from time to time, the "Guarantee Agreement"), among the Parent Borrower, the Guarantors and the Administrative Agent.

The Collateral Agent and the trustees for the holders of the Senior Secured Discount Notes and the Existing Senior Secured Notes have entered into an Amended and Restated Intercreditor Agreement dated as of February 17, 2004 (the "Intercreditor Agreement"), which confirms the relative priority of the security interests of the Secured Parties, the holders of the Senior Secured Discount Notes and the holders of the Existing Senior Secured Notes in the Collateral.

The Lenders have agreed to make Loans to the Borrowers, and the Issuing Bank has agreed to issue Letters of Credit for the account of the Parent Borrower, in an amount up to \$100,000,000, pursuant to, and upon the terms and subject to the conditions specified in, the Credit Agreement. The Guarantors have agreed to guarantee, among other things, all the obligations of the Borrowers under the Credit Agreement. The Parent Borrower has agreed to guarantee, among other things, all the obligations of the Domestic Subsidiary Borrowers and the Canadian Subsidiary Borrower under the Credit Agreement. The obligations of the Lenders to make Loans and of the Issuing Bank to issue Letters of Credit under the Credit Agreement are conditioned upon, among other things, the execution and delivery by the Grantors of an agreement in the form hereof to secure (a) the due and punctual payment by the Borrowers of (i) the principal of and

premium, if any, and interest (including interest accruing during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding) on the Loans, when and as due, whether at maturity, by acceleration, upon one or more dates set for prepayment, or otherwise, (ii) each payment required to be made by the Borrowers under the Credit Agreement in respect of any Letter of Credit, when and as due, including payments in respect of reimbursement of disbursements, interest thereon and obligations to provide cash collateral and (iii) all other monetary obligations, including fees, costs, expenses and indemnities, whether primary, secondary, direct, contingent, fixed or otherwise (including monetary obligations incurred during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding), of each Loan Party to the Secured Parties under the Credit Agreement and the other Loan Documents, (b) the due and punctual performance of all covenants, agreements, obligations and liabilities of each Loan Party under or pursuant to the Credit Agreement and the other Loan Documents, (c) the due and punctual payment and performance of all obligations of each Loan Party, monetary or otherwise, under each Swap Agreement that (i) is effective on the Effective Date with a counterparty that is a Lender (or an Affiliate of a Lender) as of the Effective Date or (ii) is entered into after the Effective Date with any counterparty that is a Lender (or an Affiliate thereof) at the time such Swap Agreement is entered into and (d) the due and punctual payment and performance of all monetary obligations of each Loan Party in respect of overdrafts and related liabilities owed to any of the Lenders (or any Affiliates thereof) or Wachovia Bank N.A. (or any Affiliates thereof) arising from treasury, depository and cash management services or in connection with any automated clearinghouse transfers of funds (all the monetary and other obligations described in the preceding clauses (a) through (d) being collectively called the "Obligations").

Accordingly, each of the Grantors and the Collateral Agent, on behalf of itself and each Secured Party (and each of their respective successors or assigns), hereby agrees as follows:

## ARTICLE I

### Definitions

SECTION 1.01. Definition of Terms Used Herein. Unless the context otherwise requires, all capitalized terms used but not defined herein shall have the meanings set forth in the Credit Agreement and all terms defined in the Uniform Commercial Code from time to time in effect in the State of New York (the "NY UCC") and not defined herein shall have the meaning specified in Article 9 of the NY UCC.

SECTION 1.02. Definition of Certain Terms Used Herein. As used herein, the following terms shall have the following meanings:

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

**“Accounts Receivable”** shall mean all Accounts and all right, title and interest in any returned goods, 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 security interests, liens and pledges, whether voluntary or involuntary, in each case whether now existing or owned or hereafter arising or acquired.

**“Cash Collection Period”** means the period commencing on the first Business Day after the occurrence of a Cash Collection Trigger Event and ending on the date this Agreement is terminated in accordance with Section 8.14.

**“Cash Collection Trigger Event”** shall mean that, on three consecutive Business Days, the Availability Amount at any time during the day is less than \$35,000,000.

**“Cash Concentration Account”** means, with respect to any Grantor, the cash concentration account maintained by such Grantor with the Collateral Agent, to which such Grantor will cause to be transferred, on each Business Day during the Cash Collection Period, amounts deposited in the Collection Deposit Accounts on such Business Day, as and to the extent provided in Section 5.01.

**“Collateral”** shall have the meaning assigned to such term in Section 2.

**“Collateral Proceeds Account”** means an account maintained by and in the name of the Administrative Agent, for purposes of this Agreement and the Credit Agreement.

**“Collection Deposit Accounts”** means the respective collection accounts maintained by the Collection Deposit Banks pursuant to the Collection Deposit Letter Agreements and into which the Grantors will deposit or cause to be deposited all Daily Receipts, as and to the extent provided in Section 5.01.

**“Collection Deposit Bank”** means, at any time, any financial institution then serving as a “Collection Deposit Bank” as provided in Section 5.01.

**“Collection Deposit Letter Agreement”** means an agreement among the applicable Grantor, a Collection Deposit Bank and the Collateral Agent, in form and substance reasonably satisfactory to the Collateral Agent, pursuant to which such Collection Deposit Bank shall maintain one or more Collection Deposit Accounts, as such Collection Deposit Letter Agreement may be amended, modified or supplemented from time to time.

**“Commodity Account”** shall mean an account maintained by a Commodity Intermediary in which a Commodity Contract is carried out for a Commodity Customer.

**“Commodity Contract”** shall mean a commodity futures contract, an option on a commodity futures contract, a commodity option or any other contract that, in each case, 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”** shall mean a Person for whom a Commodity Intermediary carries a Commodity Contract on its books.

**“Commodity Intermediary”** shall mean (a) a Person who is registered as a futures commission merchant under the federal commodities laws or (b) a Person who 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”** shall mean any written agreement, now or hereafter in effect, granting any right to any third party under any Copyright now or hereafter owned by any Grantor or which such Grantor otherwise has the right to license, or granting any right to such Grantor under any Copyright now or hereafter owned by any third party, and all rights of such Grantor under any such agreement.

**“Copyrights”** shall mean all of the following now owned or hereafter acquired by any Person: (a) all copyright rights in any work subject to the copyright laws of the United States or Canada, whether as author, assignee, transferee or otherwise, and (b) all registrations and applications for registration of any such copyright in the United States or Canada, including registrations, recordings, supplemental registrations and pending applications for registration in the United States Copyright Office or any similar office in Canada, including those listed on Schedule II.

**“Credit Agreement”** shall have the meaning assigned to such term in the preliminary statement of this Agreement.

**“Credit Card Payments”** means all payments received or receivable by or on behalf of any Grantor in respect of sales of Inventory paid for by credit card charges, including payments from financial institutions that process credit card transactions for any of the Grantors.

**“Daily Receipts”** means all amounts received by the Grantors, whether in the form of cash, checks, any moneys received or receivable in respect of charges made by means of credit cards, and other negotiable instruments, in each case as a result of the sale of Inventory or in respect of Accounts Receivable.

**“Documents”** shall mean all instruments, files, records, ledger sheets and documents covering or relating to any of the Collateral.

**“Entitlement Holder”** shall mean a Person identified in the records of a Security Intermediary as the Person having a Security Entitlement against the Security Intermediary. If a Person acquires a Security Entitlement by virtue of Section 8-501(b)(2) or (3) of the Uniform Commercial Code, such Person is the Entitlement Holder.

**“Equipment”** shall mean all equipment, furniture and furnishings, including tools, parts and supplies of every kind and description, and all improvements, accessions or appurtenances thereto, that are now or hereafter owned by any Grantor.

**“Financial Asset”** shall mean (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, which is, or is of a type, dealt with in or traded on financial markets, or which 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 Security Intermediary for another Person in a Securities Account if the Security 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, the term Financial Asset shall mean 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.

**“General Funds Account”** means an account maintained by the Parent Borrower, to which the Administrative Agent will, subject to the terms and conditions set forth herein, cause to be transferred certain amounts on deposit in the Collateral Proceeds Account.

**“General Intangibles”** shall mean all “general intangibles” as such term is defined in the NY UCC, and in any event, with respect to any Grantor, all choses in action and causes of action and all other assignable intangible personal property of any Grantor of every kind and nature (other than Accounts Receivable) now owned or hereafter acquired by any Grantor, including corporate or other business records, indemnification claims, contract rights (including rights under leases, whether entered into as lessor or lessee, Swap Agreements and other agreements but excluding contract rights in contracts which contain an enforceable prohibition on assignment or the granting of a security interest), Intellectual Property, goodwill, registrations, franchises, tax refund claims and any letter of credit, guarantee, claim, security interest or other security held by or granted to any Grantor to secure payment by an Account Debtor of any of the Accounts Receivable.

**“Intellectual Property”** shall mean all intellectual and similar property of any Grantor of every kind and nature now owned or hereafter acquired by any Grantor, 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 and registrations, and all additions, improvements and accessions to, and books and records describing or used in connection with, any of the foregoing.

**“Inventory”** shall mean all goods of any Grantor, whether now owned or hereafter acquired, held for sale or lease, or furnished or to be furnished by any Grantor under contracts of service, or consumed in any Grantor’s business, including raw materials, intermediates, work in process, packaging materials, finished goods, semi-



finished inventory, scrap inventory, manufacturing supplies and spare parts, and all such goods that have been returned to or repossessed by or on behalf of any Grantor.

**“Investment Property”** shall mean all Securities (whether certificated or uncertificated), Security Entitlements, Securities Accounts, Commodity Contracts and Commodity Accounts of any Grantor, whether now owned or hereafter acquired by any Grantor.

**“License”** shall mean any Patent License, Trademark License, Copyright License or other franchise agreement, license or sublicense to which any Grantor is a party, including those listed on Schedule III.

**“Obligations”** shall have the meaning assigned to such term in the preliminary statement of this Agreement.

**“Patent License”** shall mean 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 any Grantor or which any Grantor otherwise has the right to license, is in existence, or granting to any 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 any Grantor under any such agreement.

**“Patents”** shall mean all of the following now owned or hereafter acquired by any Person: (a) all letters patent of the United States or Canada, all registrations and recordings thereof, and all applications for letters patent of the United States or Canada, including registrations, recordings and pending applications in the United States Patent and Trademark Office or any similar office in Canada, including those listed on Schedule IV, 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.

**“Perfection Certificate”** shall mean a certificate substantially in the form of Annex 1 (or any other form approved by the Collateral Agent), completed and supplemented with the schedules and attachments contemplated thereby, and duly executed by a Financial Officer and the chief legal officer of the Parent Borrower.

**“Proceeds”** shall mean all “proceeds” as such term is defined in Article 9 of the NY UCC and, in any event, shall include with respect to any Grantor any consideration received from the sale, exchange, license, lease or other disposition of any asset or property that constitutes Collateral, any value received as a consequence of the possession of any Collateral and any payment received from any insurer or other person or entity as a result of the destruction, loss, theft, damage or other involuntary conversion of whatever nature of any asset or property which constitutes Collateral, and shall include, (a) any claim of any Grantor against any third party for (and the right to sue and recover for and the rights to damages or profits due or accrued arising out of or in connection with) (i) past, present or future infringement of any Patent now or hereafter owned by any Grantor, or licensed under a Patent License, (ii) past, present or future

infringement or dilution of any Trademark now or hereafter owned by any Grantor or licensed under a Trademark License or injury to the goodwill associated with or symbolized by any Trademark now or hereafter owned by any Grantor, (iii) past, present or future breach of any License and (iv) past, present or future infringement of any Copyright now or hereafter owned by any Grantor or licensed under a Copyright License and (b) any and all other amounts from time to time paid or payable under or in connection with any of the Collateral.

**“Secured Parties”** shall mean (a) the Lenders, (b) the Administrative Agent, (c) the Collateral Agent and each of the other Agents, (d) the Issuing Bank, (e) each counterparty to a Swap Agreement with a Loan Party the obligations under which constitute Obligations, (f) the beneficiaries of each indemnification obligation undertaken by any Grantor under any Loan Document, (g) each lender in respect of overdrafts and related liabilities owed to any of the Lenders (or any Affiliates thereof) and arising from treasury, depositary and cash management services or in connection with any automated clearinghouse transfers of funds, (h) Wachovia Bank N.A. (or any Affiliates thereof) in respect of overdrafts and related liabilities owed to Wachovia Bank N.A. (or any Affiliates thereof) and arising from treasury, depositary and cash management services or in connection with any automated clearinghouse transfers of funds and (i) the permitted successors and assigns of each of the foregoing.

**“Securities”** shall mean 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 Uniform Commercial Code.

**“Securities Account”** shall mean 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.

**“Security Entitlements”** shall mean the rights and property interests of an Entitlement Holder with respect to a Financial Asset.

**“Security Interest”** shall have the meaning assigned to such term in Section 2.01.

**“Security Intermediary”** shall mean (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.

**“Senior Collateral Agent”** shall have the meaning assigned to such term in the Intercreditor Agreement.

**“Trademark License”** shall mean any written agreement, now or hereafter in effect, granting to any third party any right to use any Trademark now or hereafter owned by any Grantor or which any Grantor otherwise has the right to license, or granting to any Grantor any right to use any Trademark now or hereafter owned by any third party, and all rights of any Grantor under any such agreement.

**“Trademarks”** shall mean all of the following now owned or hereafter acquired by any Person: (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, now existing or hereafter adopted or acquired, all registrations and recordings thereof, and all registration and recording applications filed in connection therewith, including registrations and registration applications in the United States Patent and Trademark Office, any State of the United States, Canada or any Province of Canada, and all extensions or renewals thereof, including those listed on Schedule V, (b) all goodwill associated therewith or symbolized thereby and (c) all other assets, rights and interests that uniquely reflect or embody such goodwill.

**SECTION 1.03. Rules of Interpretation.** The rules of interpretation specified in Section 1.03 of the Credit Agreement shall be applicable to this Agreement.

## ARTICLE II

### Security Interest

**SECTION 2.01. Security Interest.** (a) Each Grantor hereby bargains, sells, conveys, assigns, sets over, mortgages, pledges, hypothecates and transfers to the Collateral Agent, and hereby grants to the Collateral Agent, for the ratable benefit of the Secured Parties, a security interest (the **“Security Interest”**) in all of the following property now owned or hereafter acquired by such Grantor or in which such Grantor now has or at any time in future may acquire any right, title or interest (collectively, the **“Collateral”**), as collateral security for the prompt and complete payment and performance when due (whether at the stated maturity, by acceleration or otherwise) of the Obligations:

- (i) all Accounts Receivable;
- (ii) all Chattel Paper;
- (iii) all Deposit Accounts;
- (iv) all Documents;
- (v) all Equipment;

- (vi) all General Intangibles;
- (vii) all Instruments;
- (viii) all Inventory;
- (ix) all cash and cash accounts;
- (x) all Investment Property;
- (xi) all books and records pertaining to the Collateral;
- (xii) all Fixtures;
- (xiii) all Letter-of-credit rights;
- (xiv) all commercial tort claims listed on Schedule VI hereto; and

(xv) to the extent not otherwise included, all Proceeds and products of any and all of the foregoing, provided, however, that Collateral shall not include with respect to any Grantor, any item of property to the extent the grant by such Grantor of a security interest pursuant to this Agreement in such Grantor's right, title and interest in such item of property is prohibited by an applicable enforceable contractual obligation (including but not limited to a Capital Lease Obligation) or requirement of law or would give any other Person the enforceable right to terminate its obligations with respect to such item of property and provided, further, that the limitation in the foregoing proviso shall not affect, limit, restrict or impair the grant by any Grantor of a security interest pursuant to this Agreement in any money or other amounts due or to become due under any Account, contract, agreement or General Intangible.

(b) Each Grantor hereby irrevocably authorizes the Collateral Agent, in accordance with, and to the extent consistent with, the Intercreditor Agreement, at any time and from time to time to file in any relevant jurisdiction any initial financing statements with respect to the Collateral or any part thereof and amendments thereto that indicate the Collateral as all assets of such Grantor, or words of similar effect, or as being of an equal or lesser scope or with greater detail, and that contain the information required by Article 9 of the Uniform Commercial Code of each applicable jurisdiction for the filing of any financing statement or amendment, including whether such Grantor is an organization, the type of organization and any organizational identification number issued to such Grantor. Each Grantor agrees to provide such information to the Collateral Agent promptly upon request.

Each Grantor also ratifies its authorization for the Collateral Agent to file in any relevant jurisdiction any initial financing statements or amendments thereto if filed prior to the date hereof.

The Collateral Agent is further authorized to file with the United States Patent and Trademark Office or United States Copyright Office (or any successor office or any similar office in Canada) such documents as may be necessary or advisable for the purpose of perfecting, confirming, continuing, enforcing or protecting the Security Interest granted by each Grantor, without the signature of any Grantor (but, prior to the occurrence of any Event of Default or Default, the Collateral Agent shall provide notice of such filing to such Grantor), and naming any Grantor or the Grantors as debtors and the Collateral Agent as secured party.

**SECTION 2.02. No Assumption of Liability.** The Security Interest is granted as security only and shall not subject the Collateral Agent or any other Secured Party to, or in any way alter or modify, any obligation or liability of any Grantor with respect to or arising out of the Collateral.

### ARTICLE III

#### Representations and Warranties

The Grantors jointly and severally represent and warrant to the Collateral Agent and the Secured Parties that:

**SECTION 3.01. Title and Authority.** Each Grantor has good and valid rights in and title to the Collateral with respect to which it has purported to grant a Security Interest hereunder and has full power and authority to grant to the Collateral Agent the Security Interest in such Collateral pursuant hereto and to execute, deliver and perform its obligations in accordance with the terms of this Agreement, without the consent or approval of any other Person other than any consent or approval which has been obtained or the failure of which to obtain could not reasonably be expected to have a Material Adverse Effect.

**SECTION 3.02. Filings.** (a) The Perfection Certificate has been duly prepared, completed and executed and the information set forth therein is correct and complete. Uniform Commercial Code financing statements, as applicable, or other appropriate filings, recordings or registrations containing a description of the Collateral have been delivered to the Collateral Agent for filing in each governmental, municipal or other office specified in Schedule 6 to the Perfection Certificate, which are all the filings, recordings and registrations (other than filings, recordings and registrations required to be made in the United States Patent and Trademark Office and the United States Copyright Office (or any similar office in Canada) in order to perfect the Security Interest in Collateral consisting of United States (or Canadian) Patents, United States Trademarks and United States Copyrights) that are necessary to publish notice of and protect the validity of and to establish a legal, valid and perfected security interest in favor of the Collateral Agent (for the ratable benefit of the Secured Parties) in respect of all Collateral in which the Security Interest may be perfected by filing, recording or registration in the United States (or any political subdivision thereof), and no further or subsequent filing, refile, recording, rerecording, registration or reregistration is necessary in any such jurisdiction, except as provided under applicable law with respect to the filing of

continuation statements and such filings, recordings and registrations as may be necessary to perfect the Security Interest as a result of any event described in Section 5.03 of the Credit Agreement.

(b) Each Grantor represents and warrants that fully executed security agreements in the form hereof (or a fully executed short-form agreement in form and substance reasonably satisfactory to the Collateral Agent) and containing a description of all Collateral consisting of Intellectual Property shall have been received and recorded within three months after the execution of this Agreement with respect to United States Patents and United States registered Trademarks (and Trademarks for which United States registration applications are pending) and within one month after the execution of this Agreement with respect to United States registered Copyrights by the United States Patent and Trademark Office and the United States Copyright Office pursuant to 35 U.S.C. § 261, 15 U.S.C. § 1060 or 17 U.S.C. § 205 and the regulations thereunder (or in any similar office in Canada within the time period prescribed by applicable law and regulations), as applicable, to protect the validity of and to establish a legal, valid and perfected security interest in favor of the Collateral Agent (for the ratable benefit of the Secured Parties) 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 or Canada (or any political subdivision of either) and no further or subsequent filing, refile, 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).

**SECTION 3.03. Validity of Security Interest.** The Security Interest constitutes (a) a legal and valid security interest in all the Collateral securing the payment and performance of the Obligations, (b) subject to the filings described in Section 3.02 above, a perfected security interest in all Collateral in which a security interest may be perfected by filing, recording or registering a financing statement or analogous document in the United States or Canada (or any political subdivision of either) pursuant to the Uniform Commercial Code or other applicable law in such jurisdictions and (c) a security interest that shall be perfected in all Collateral in which a security interest may be perfected in the United States Patent and Trademark Office and the United States Copyright Office upon the receipt and recording of this Agreement with the United States Patent and Trademark Office and the United States Copyright Office, as applicable, within the three month period (commencing as of the date hereof) pursuant to 35 U.S.C. § 261 or 15 U.S.C. § 1060 or the one-month period (commencing as of the date hereof) pursuant to 17 U.S.C. § 205 and otherwise as may be required pursuant to the laws of any other necessary jurisdiction. The Security Interest is and shall be prior to any other Lien on any of the Collateral, other than Liens expressly permitted to be prior to the Security Interest pursuant to Section 6.03 of the Credit Agreement.

**SECTION 3.04. Absence of Other Liens.** The Collateral is owned by the Grantors free and clear of any Lien, except for Liens expressly permitted pursuant to Section 6.03 of the Credit Agreement. No Grantor has filed or consented to the filing of

(a) any financing statement or analogous document under the Uniform Commercial Code or any other applicable laws covering any Collateral, (b) any assignment in which any Grantor assigns any Collateral or any security agreement or similar instrument covering any Collateral in the United States Patent and Trademark Office or the United States Copyright Office or (c) any assignment in which any Grantor assigns any Collateral or any security agreement or similar instrument covering any Collateral with any foreign governmental, municipal or other office, which financing statement or analogous document is still in effect, except, in each case, for Liens expressly permitted pursuant to Section 6.03 of the Credit Agreement.

## ARTICLE IV

### Covenants

SECTION 4.01. Records. Each Grantor agrees to maintain, at its own cost and expense, such complete and accurate records with respect to the Collateral owned by it as is consistent with its current practices and in accordance with such prudent and standard practices used in industries that are the same as or similar to those in which such Grantor is engaged, but in any event to include complete accounting records indicating all payments and proceeds received with respect to any part of the Collateral, and, at such time or times as the Collateral Agent may reasonably request, promptly to prepare and deliver to the Collateral Agent a duly certified schedule or schedules in form and detail reasonably satisfactory to the Collateral Agent showing the identity, amount and location of any and all Collateral.

SECTION 4.02. Protection of Security. Each Grantor shall, at its own cost and expense, take any and all actions necessary to defend title to the Collateral against all persons and to defend the Security Interest of the Collateral Agent in the Collateral and the priority thereof against any Lien not expressly permitted pursuant to Section 6.03 of the Credit Agreement.

SECTION 4.03. Further Assurances. Each Grantor agrees, at its own expense, to execute, acknowledge, deliver and cause to be duly filed all such further instruments and documents and take all such actions as the Collateral Agent, in accordance with, and to the extent consistent with, the terms of the Intercreditor Agreement, may from time to time reasonably request to better assure, preserve, protect and perfect the Security Interest and the rights and remedies created hereby, including the payment of any fees and taxes required in connection with the execution and delivery of this Agreement, the granting of the Security Interest and the filing of any financing statements or other documents in connection herewith or therewith. If any amount payable under or in connection with any of the Collateral shall be or become evidenced by any promissory note or other instrument, such note or instrument shall be immediately pledged and delivered to the Collateral Agent, duly endorsed in a manner satisfactory to the Collateral Agent.

Without limiting the generality of the foregoing, each Grantor hereby authorizes the Collateral Agent, with prompt notice thereof to the Grantors, to

supplement this Agreement by supplementing Schedule II, III, IV or V hereto or adding additional schedules hereto to specifically identify any registered asset or item that may constitute Copyrights, Patents or Trademarks; provided, however, that any Grantor shall have the right, exercisable within 30 days after it has been notified by the Collateral Agent of the specific identification of such Collateral, to advise the Collateral Agent in writing of any inaccuracy of the representations and warranties made by such Grantor hereunder with respect to such Collateral. Each Grantor agrees that it will use its best efforts to take such action as shall be necessary in order that all representations and warranties hereunder shall be true and correct with respect to such Collateral within 30 days after the date it has been notified by the Collateral Agent of the specific identification of such Collateral.

**SECTION 4.04. Inspection and Verification.** Subject to the limitations set forth in Section 5.09 of the Credit Agreement, the Collateral Agent and such Persons as the Collateral Agent may reasonably designate shall have the right, at the Grantors' own cost and expense, to inspect the Collateral, all records related thereto (and to make extracts and copies from such records) and the premises upon which any of the Collateral is located, to discuss the Grantors' affairs with the officers of the Grantors and their independent accountants and 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 party, by contacting Account Debtors or the third person possessing such Collateral for the purpose of making such a verification. The Collateral Agent shall have the absolute right to share any information it gains from such inspection or verification with any Secured Party (it being understood that any such information shall be deemed to be "Information" subject to the provisions of Section 10.12 of the Credit Agreement).

**SECTION 4.05. Taxes; Encumbrances.** In accordance with, and to the extent consistent with, the terms of the Intercreditor Agreement, at its option, the Collateral Agent may discharge past due taxes, assessments, charges, fees, Liens, security interests or other encumbrances at any time levied or placed on the Collateral and not permitted pursuant to Section 6.03 of the Credit Agreement, and may pay for the maintenance and preservation of the Collateral to the extent any Grantor fails to do so as required by the Credit Agreement or this Agreement, and each Grantor jointly and severally agrees to reimburse the Collateral Agent on demand for any payment made or any expense incurred by the Collateral Agent pursuant to the foregoing authorization; provided, however, that nothing in this Section 4.05 shall be interpreted as excusing any Grantor from the performance of, or imposing any obligation on the Collateral Agent or any Secured Party to cure or perform, any covenants or other promises of any Grantor with respect to taxes, assessments, charges, fees, Liens, security interests or other encumbrances and maintenance as set forth herein or in the other Loan Documents.

**SECTION 4.06. Assignment of Security Interest.** If at any time any Grantor shall take a security interest in any property of an Account Debtor or any other Person to secure payment and performance of an Account, such Grantor shall promptly assign such security interest to the Collateral Agent. Such assignment need not be filed of public record unless necessary to continue the perfected status of the security interest



against creditors of and transferees from the Account Debtor or other Person granting the security interest.

**SECTION 4.07. Continuing Obligations of the Grantors.** Each Grantor shall remain liable to observe and perform all the conditions and obligations to be observed and performed by it under each contract, agreement or instrument relating to the Collateral, all in accordance with the terms and conditions thereof, and each Grantor jointly and severally agrees to indemnify and hold harmless the Collateral Agent and the Secured Parties from and against any and all liability for such performance.

**SECTION 4.08. Use and Disposition of Collateral.** None of the Grantors shall make or permit to be made an assignment, pledge or hypothecation of the Collateral or shall grant any other Lien in respect of the Collateral, except as expressly permitted by Section 6.03 of the Credit Agreement. Unless and (in accordance with, and to the extent consistent with, the terms of the Intercreditor Agreement) until the Collateral Agent shall notify the Grantors that (i) an Event of Default shall have occurred and be continuing and (ii) during the continuance thereof the Grantors shall not sell, convey, lease, assign, transfer or otherwise dispose of any Collateral (which notice may be given by telephone if promptly confirmed in writing), the Grantors may use and dispose of the Collateral in any lawful manner not inconsistent with the provisions of this Agreement, the Credit Agreement or any other Loan Document. Without limiting the generality of the foregoing, each Grantor agrees that it shall not permit any Inventory to be in the possession or control of any warehouseman, bailee, agent or processor at any time, other than Inventory that is in transit by any means, unless such warehouseman, bailee, agent or processor shall have been notified of the Security Interest and each Grantor shall use its best efforts to obtain a written agreement in form and substance reasonably satisfactory to the Collateral Agent to hold the Inventory subject to the Security Interest and the instructions of the Collateral Agent and to waive and release any Lien held by it with respect to such Inventory, whether arising by operation of law or otherwise.

**SECTION 4.09. Limitation on Modification of Accounts.** None of the Grantors will, without the Collateral Agent's prior written consent, grant any extension of the time of payment of any of the Accounts Receivable, compromise, compound or settle the same for less than the full amount thereof, release, wholly or partly, any Person liable for the payment thereof or allow any credit or discount whatsoever thereon, other than extensions, credits, discounts, compromises or settlements granted or made in the ordinary course of business and consistent with its current practices and in accordance with such prudent and standard practices used in industries that are the same as or similar to those in which such Grantor is engaged.

**SECTION 4.10. Insurance.** The Grantors, at their own expense, shall maintain or cause to be maintained insurance covering physical loss or damage to the Inventory and Equipment in accordance with Section 5.07 of the Credit Agreement. Subject to the Intercreditor Agreement, each Grantor irrevocably makes, constitutes and appoints the Collateral Agent (and all officers, employees or agents designated by the Collateral Agent) as such Grantor's true and lawful agent (and attorney-in-fact) for the purpose, during the continuance of an Event of Default, of making, settling and adjusting

claims in respect of Collateral under policies of insurance, endorsing the name of such Grantor on any check, draft, instrument or other item of payment for the proceeds of such policies of insurance and for making all determinations and decisions with respect thereto. Subject to the Intercreditor Agreement, in the event that any Grantor at any time or times shall fail to obtain or maintain any of the policies of insurance required hereby or to pay any premium in whole or part relating thereto, the Collateral Agent may, without waiving or releasing any obligation or liability of the Grantors hereunder or any Event of Default, in its sole discretion, obtain and maintain such policies of insurance and pay such premium and take any other actions with respect thereto as the Collateral Agent deems reasonably advisable. Subject to the Intercreditor Agreement, all sums disbursed by the Collateral Agent in connection with this Section 4.10, including reasonable attorneys' fees, court costs, expenses and other charges relating thereto, shall be payable, upon demand, by the Grantors to the Collateral Agent and shall be additional Obligations secured hereby.

**SECTION 4.11. Legend.** Each Grantor shall legend, in form and manner reasonably satisfactory to the Collateral Agent, its Accounts Receivable and its books, records and documents evidencing or pertaining thereto with an appropriate reference to the fact that such Accounts Receivable have been assigned to the Collateral Agent for the benefit of the Secured Parties and that the Collateral Agent has a security interest therein.

**SECTION 4.12. Covenants Regarding Patent, Trademark and Copyright Collateral.** (a) Each Grantor agrees that it will not, nor will it permit any of its licensees to, do any act, or omit to do any act, whereby any Patent which is material to the conduct of such Grantor's business may become invalidated or dedicated to the public, and agrees, to the extent practicable, that it 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 patent laws.

(b) Each Grantor (either itself or through its licensees or its sublicensees) will, for each Trademark material to the conduct of such Grantor's business, (i) maintain such Trademark in full force free from any claim of abandonment or invalidity for non-use, (ii) maintain the quality of products and services offered under such Trademark, (iii) display such Trademark with notice of Federal or foreign registration to the extent necessary and sufficient to establish and preserve its maximum rights under applicable law and (iv) not knowingly use or knowingly permit the use of such Trademark in violation of any third party rights.

(c) Each Grantor (either itself or through licensees) will, for each work covered by a material 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 copyright laws.

(d) Each Grantor shall notify the Collateral Agent promptly if it knows that any Patent, Trademark or Copyright material to the conduct of its business 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 or United States Copyright Office or any similar office in Canada) regarding such Grantor's ownership of any Patent, Trademark or Copyright, its right to register the same, or to keep and maintain the same.

(e) In no event shall any 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 office or agency in any political subdivision of the United States or any similar office in Canada, unless it promptly informs the Collateral Agent, and, in accordance with, and to the extent consistent with, the terms of the Intercreditor Agreement, upon request of the Collateral Agent, executes and delivers any and all agreements, instruments, documents and papers as the Collateral Agent may request to evidence the Collateral Agent's security interest in such Patent, Trademark or Copyright, and, in accordance with, and to the extent consistent with, the terms of the Intercreditor Agreement, each Grantor hereby appoints the Collateral Agent as its attorney-in-fact to execute and file such writings for the foregoing purposes (and, prior to the occurrence of any Event of Default or Default, such Grantor shall be notified of such filing), all acts of such attorney being hereby ratified and confirmed; such power, being coupled with an interest, is irrevocable.

(f) 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 office or agency in any political subdivision of the United States or any similar office in Canada, to maintain and pursue each material 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 that is material to the conduct of any Grantor's business, 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.

(g) In the event that any Grantor has reason to believe that any Collateral consisting of a Patent, Trademark or Copyright material to the conduct of any Grantor's business has been or is about to be infringed, misappropriated or diluted by a third party, such Grantor promptly shall notify the Collateral Agent and shall, if consistent with good business judgment, 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.

(h) Upon and during the continuance of an Event of Default, each Grantor shall use its reasonable 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 such Grantor's right, title and interest thereunder to the Collateral Agent or their designees for the benefit of the Secured Parties in accordance with the Intercreditor Agreement.

**SECTION 4.13. Deposit Accounts.** Each Grantor will, within 60 days after the Effective Date, enter into control agreements in form and substance reasonably satisfactory to the Collateral Agent with each depository bank (other than the Collateral Agent) with which it maintains any deposit accounts (other than, prior to the 2004 Notes First Lien Transition Date, the Notes Collateral Account (each as defined in the Intercreditor Agreement)) and thereafter shall cause all cash held by such Grantor (other than, prior to the 2004 Notes First Lien Transition Date, cash held by such Grantor in a Notes Collateral Account in accordance with the terms of the 2004 Indenture (as in effect on the date hereof) to be maintained in such accounts.

**SECTION 4.14. Commercial Tort Claims.** If any Grantor shall at any time hold or acquire a commercial tort claim in an amount reasonably estimated to exceed \$2,500,000, the Grantor shall promptly notify the Collateral Agent thereof in a writing signed by such Grantor including a summary description of such claim and grant to the Collateral Agent in such writing a security interest therein and in the proceeds thereof, all upon the terms of this Agreement, with such writing to be in form and substance reasonably satisfactory to the Collateral Agent.

**SECTION 4.15. Electronic Chattel Paper and Transferable Records.** If any Grantor at any time holds or acquires an interest in any electronic chattel paper or any "transferable record," as that term is defined in Section 201 of the Federal Electronic Signatures in Global and National Commerce Act, or in Section 16 of the Uniform Electronic Transactions Act as in effect in any relevant jurisdiction, in an amount exceeding \$1,000,000 such Grantor shall promptly notify the Collateral Agent thereof and, at the request of the Collateral Agent, shall take such action as the Collateral Agent may reasonably request to vest in the Collateral Agent control under NY UCC Section 9-105 of such electronic chattel paper or control under Section 201 of the Federal Electronic Signatures in Global and National Commerce Act or, as the case may be, Section 16 of the Uniform Electronic Transactions Act, as so in effect in such jurisdiction, of such transferable record. The Collateral Agent agrees with such Grantor that the Collateral Agent will arrange, pursuant to procedures reasonably satisfactory to the Collateral Agent and so long as such procedures will not result in the Collateral Agent's loss of control, for the Grantor to make alterations to the electronic chattel paper or transferable record permitted under NY UCC Section 9-105 or, as the case may be, Section 201 of the Federal Electronic Signatures in Global and National Commerce Act or Section 16 of the Uniform Electronic Transactions Act for a party in control to allow without loss of control, unless an Event of Default has occurred and is continuing or would occur after taking into account any action by such Grantor with respect to such electronic chattel paper or transferable record.

**SECTION 4.16. Letter-of-Credit Rights.** If any Grantor is at any time a beneficiary under a letter of credit now or hereafter issued in favor of such Grantor in an amount exceeding \$1,000,000, such Grantor shall promptly notify the Collateral Agent thereof and, at the request and option of the Collateral Agent, such Grantor shall, pursuant to an agreement in form and substance reasonably satisfactory to the Collateral Agent, either (i) arrange for the issuer and any confirmer of such letter of credit to consent to an assignment to the Collateral Agent of the proceeds of any drawing under

the letter of credit or (ii) arrange for the Collateral Agent to become the transferee beneficiary of the letter of credit, with the Collateral Agent agreeing, in each case, that the proceeds of any drawing under the letter of credit are to be paid to the applicable Grantor unless an Event of Default has occurred or is continuing.

## ARTICLE V

### Collections

**SECTION 5.01. Cash Management Accounts.** (a) Each Grantor will establish and maintain, within 60 days after the Effective Date, (i) one Cash Concentration Account and (ii) one or more Collection Deposit Accounts, in the case of this clause (ii), with the Collateral Agent or with any financial institution selected by such Grantor that (A) is reasonably satisfactory to the Collateral Agent and (B) enters into a Collection Deposit Letter Agreement with respect to the Collection Deposit Accounts of such Grantor with such financial institution. Each financial institution with which a Collection Deposit Account is maintained is referred to herein as a "Collection Deposit Bank".

(b) Each Grantor, commencing within 60 days after the Effective Date, will deposit on each Business Day all Daily Receipts into either (i) a Collection Deposit Account or (ii) a Cash Concentration Account. Each Grantor shall use all reasonable efforts to prevent any funds that are not Daily Receipts from being deposited into, or otherwise commingled with, the funds held in the Collection Deposit Accounts or the Cash Concentration Accounts.

(c) On each Business Day during the Cash Collection Period, all collected funds on deposit in each Collection Deposit Account will be transferred to the applicable Cash Concentration Account to the extent provided in the applicable Collection Deposit Letter Agreement.

(d) On each Business Day during the Cash Collection Period, all collected funds on deposit in the Cash Concentration Accounts will be transferred to the Collateral Proceeds Account to be applied by the Administrative Agent, on behalf of the Borrowers, to prepay Revolving Borrowings and Swingline Loans in the manner provided in Section 2.10 of the Credit Agreement, until all outstanding Swingline Loans and Revolving Borrowings have been repaid, and thereafter to be transferred to the General Funds Account, subject to paragraph (f) below.

(e) During the Cash Collection Period, no Grantor shall have any control over, or any right or power to withdraw any funds on deposit in, any Collection Deposit Account or Cash Concentration Account; provided, however, that, subject to paragraph (f) below, any Grantor may instruct any Collection Deposit Bank to withdraw funds from its Collection Deposit Account to honor ACH instructions of such Grantor to transfer funds to the Cash Concentration Account. The Parent Borrower may at any time withdraw any funds contained in the General Funds Account for use, subject to the provisions of the Credit Agreement, for general corporate purposes.

(f) Upon the occurrence and during the continuance of an Event of

Default:

(i) Each Collection Deposit Account and Cash Concentration Account will, without any further action on the part of any Grantor, the Collateral Agent or any Collection Deposit Bank, convert into a closed account under the exclusive dominion and control of the Collateral Agent in which funds are held subject to the rights of the Collateral Agent hereunder. No Grantor shall thereafter have any right or power to withdraw any funds from any Collection Deposit Account or Cash Concentration Account without the prior written consent of the Collateral Agent until all Events of Default are cured or waived. The Grantors irrevocably authorize the Collateral Agent to notify each Collection Deposit Bank (A) of the occurrence of an Event of Default and (B) of the matters referred to in this paragraph (f)(i).

(ii) The Collateral Agent will instruct each Collection Deposit Bank to immediately transfer all funds held in each Collection Deposit Account to a Cash Concentration Account.

(iii) Any funds held in the Collection Deposit Accounts, the Cash Concentration Accounts or the Collateral Proceeds Account may be applied as provided in Section 7.02 so long as an Event of Default is continuing. The Collateral Agent will not be required to transfer any funds from the Collateral Proceeds Account to the General Funds Account until all Events of Default are cured or waived.

(g) All payments by any Grantor into any Collection Deposit Account or Cash Concentration Account pursuant to this Article V, whether in the form of cash, checks, notes, drafts, bills of exchange, money orders or otherwise, shall be deposited in the relevant Collection Deposit Account or Cash Concentration Account in precisely the form in which received (but with any endorsements of such Grantor necessary for deposit or collection), and until they are so deposited such payments shall be held in trust by such Grantor for and as the property of the Collateral Agent.

SECTION 5.02. Collections. (a) Each Grantor agrees promptly to notify and direct each Account Debtor and every other Person obligated to make payments with respect to the Accounts Receivable or Inventory, commencing within 30 days after the Effective Date, to make all such payments directly to a Collection Deposit Account or the applicable Cash Concentration Account (subject to the proviso in the following sentence). Each Grantor shall use all reasonable efforts to cause, commencing within 30 days after the Effective Date, each Account Debtor and every other Person identified in the preceding sentence to make all payments with respect to the Accounts Receivable or Inventory either directly to a Collection Deposit Account or a Cash Concentration Account; provided that Credit Card Payments shall be made directly to the Cash Concentration Account.

(b) In the event that a Grantor directly receives any Daily Receipts during the Cash Collection Period, notwithstanding the arrangements for payment directly into the Collection Deposit Accounts pursuant to Section 5.02, such remittances shall be held for the benefit of the Collateral Agent and the Secured Parties and shall be segregated from other funds of such Grantor, subject to the Security Interest granted hereby, and such Grantor shall cause such remittances and payments to be deposited into a Collection Deposit Account or a Cash Concentration Account, as applicable, as soon as practicable after such Grantor's receipt thereof.

(c) Without the prior written consent of the Collateral Agent, no Grantor shall, under any circumstances whatsoever, change the general instructions given to Account Debtors and other Persons obligated to make payments with respect to the Accounts Receivable or Inventory regarding the deposit of payments with respect to the Accounts Receivable or Inventory in a Collection Deposit Account or a Cash Concentration Account, as applicable. Each Grantor shall, and the Collateral Agent hereby authorizes each Grantor to, enforce and collect all amounts owing with respect to the Accounts Receivable or Inventory for the benefit and on behalf of the Collateral Agent and the other Secured Parties; provided, however, that such privilege may at the option of the Collateral Agent be terminated upon the occurrence and during the continuance of an Event of Default.

## ARTICLE VI

### Power of Attorney

Each Grantor irrevocably makes, constitutes and appoints the Collateral Agent (and all officers, employees or agents designated by the Collateral Agent) as such Grantor's true and lawful agent and attorney-in-fact, and in such capacity the Collateral Agent shall have the right, with power of substitution for each Grantor and in each Grantor's name or otherwise, for the use and benefit of the Collateral Agent and the Secured Parties, upon the occurrence and during the continuance of an Event of Default (a) to receive, endorse, assign and/or deliver any and all notes, acceptances, checks, drafts, money orders or other evidences of payment relating to the Collateral or any part thereof; (b) to demand, collect, receive payment of, give receipt for and give discharges and releases of all or any of the Collateral; (c) to sign the name of any Grantor on any invoice or bill of lading relating to any of the Collateral; (d) to send verifications of Accounts Receivable to any Account Debtor; (e) to commence and prosecute any and all suits, actions or proceedings at law or in equity in any court of competent jurisdiction to collect or otherwise realize on all or any of the Collateral or to enforce any rights in respect of any Collateral; (f) to settle, compromise, compound, adjust or defend any actions, suits or proceedings relating to all or any of the Collateral; (g) to notify, or to require any Grantor to notify, Account Debtors to make payment directly to the Collateral Agent; and (h) to use, sell, assign, transfer, pledge, make any agreement with respect to or otherwise deal with all or any of the Collateral, and to do all other acts and things necessary to carry out the purposes of this Agreement, as fully and completely as though the Collateral Agent were the absolute owner of the Collateral for all purposes; provided, however, that nothing herein contained shall be construed as requiring or obligating the

Collateral Agent or any Secured Party to make any commitment or to make any inquiry as to the nature or sufficiency of any payment received by the Collateral Agent or any Secured Party, or to present or file any claim or notice, or to take any action with respect to the Collateral or any part thereof or the moneys due or to become due in respect thereof or any property covered thereby, and no action taken or omitted to be taken by the Collateral Agent or any Secured Party with respect to the Collateral or any part thereof shall give rise to any defense, counterclaim or offset in favor of any Grantor or (unless such action is the result of gross negligence or willful misconduct) to any claim or action against the Collateral Agent or any Secured Party. It is understood and agreed that the appointment of the Collateral Agent as the agent and attorney-in-fact of the Grantors for the purposes set forth above is coupled with an interest and is irrevocable. The provisions of this Section shall in no event relieve any Grantor of any of its obligations hereunder or under any other Loan Document with respect to the Collateral or any part thereof or impose any obligation on the Collateral Agent or any Secured Party to proceed in any particular manner with respect to the Collateral or any part thereof, or in any way limit the exercise by the Collateral Agent or any Secured Party of any other or further right which it may have on the date of this Agreement or hereafter, whether hereunder, under any other Loan Document, by law or otherwise.

Notwithstanding anything in this Article VI to the contrary, the Collateral Agent agrees that it will not exercise any rights under the power of attorney provided for in this Article VI unless it does so in accordance with, and to the extent consistent with, the Intercreditor Agreement.

## ARTICLE VII

### Remedies

SECTION 7.01. Remedies upon Default. In accordance with, and to the extent consistent with, the terms of the Intercreditor Agreement, upon the occurrence and during the continuance of an Event of Default, each Grantor agrees to deliver each item of Collateral to the Collateral Agent on demand, and it is agreed that the Collateral Agent shall have the right to take any of or all the following actions at the same or different times: (a) with respect to any Collateral consisting of Intellectual Property, on demand, to cause the Security Interest to become an assignment, transfer and conveyance of any of or all such Collateral by the applicable Grantors to the Collateral Agent, or to license or sublicense, whether general, special or otherwise, and whether on an exclusive or non-exclusive basis, any such Collateral throughout the world on such terms and conditions and in such manner as the Collateral Agent shall determine (other than in violation of any then-existing licensing or contractual arrangements to the extent that waivers cannot be obtained), and (b) with or without legal process and with or without prior notice or demand for performance, to take possession of the Collateral and without liability for trespass to enter any premises where the Collateral may be located for the purpose of taking possession of or removing the Collateral and, generally, to exercise any and all rights afforded to a secured party under the Uniform Commercial Code or other applicable law. Without limiting the generality of the foregoing, in accordance with, and to the extent consistent with, the terms of the Intercreditor Agreement, each Grantor



agrees that the Collateral Agent shall have the right, subject to the mandatory requirements of applicable law, to sell or otherwise dispose of all or any part of the Collateral, at public or private sale or at any broker's board or on any securities exchange, for cash, upon credit or for future delivery as the Collateral Agent shall deem appropriate. The Collateral Agent shall be authorized at any such sale (if it deems it advisable to do so) to restrict the prospective bidders or purchasers to persons who will represent and agree that they are purchasing the Collateral for their own account for investment and not with a view to the distribution or sale thereof, and upon consummation of any such sale the Collateral Agent shall have the right to assign, transfer and deliver to the purchaser or purchasers thereof the Collateral so sold. Each such purchaser at any such sale shall hold the property sold absolutely, free from any claim or right on the part of any Grantor, and each Grantor hereby waives (to the extent permitted by law) all rights of redemption, stay and appraisal which such Grantor now has or may at any time in the future have under any rule of law or statute now existing or hereafter enacted.

The Collateral Agent shall give the Grantors 10 days' prior written notice (which each Grantor agrees is reasonable notice within the meaning of Section 9-611 of the NY UCC or its equivalent in other jurisdictions) of the Collateral Agent's intention to make any sale of Collateral. Such notice, in the case of a public sale, shall state the time and place for such sale and, in the case of a sale at a broker's board or on a securities exchange, shall state the board or exchange at which such sale is to be made and the day on which the Collateral, or portion thereof, will first be offered for sale at such board or exchange. Any such public sale shall be held at such time or times within ordinary business hours and at such place or places as the Collateral Agent may fix and state in the notice (if any) of such sale. At any such sale, the Collateral, or portion thereof, to be sold may be sold in one lot as an entirety or in separate parcels, as the Collateral Agent may (in its sole and absolute discretion) determine. The Collateral Agent shall not be obligated to make any sale of any Collateral if it shall determine not to do so, regardless of the fact that notice of sale of such Collateral shall have been given. The Collateral Agent may, without notice or publication, adjourn any public or private sale or cause the same to be adjourned from time to time by announcement at the time and place fixed for sale, and such sale may, without further notice, be made at the time and place to which the same was so adjourned. In case any sale of all or any part of the Collateral is made on credit or for future delivery, the Collateral so sold may be retained by the Collateral Agent until the sale price is paid by the purchaser or purchasers thereof, but the Collateral Agent shall not incur any liability in case any such purchaser or purchasers shall fail to take up and pay for the Collateral so sold and, in case of any such failure, such Collateral may be sold again upon like notice. At any public (or, to the extent permitted by law, private) sale made pursuant to this Section, any Secured Party may bid for or purchase, free (to the extent permitted by law) from any right of redemption, stay, valuation or appraisal on the part of any Grantor (all said rights being also hereby waived and released to the extent permitted by law), the Collateral or any part thereof offered for sale and may make payment on account thereof by using any claim then due and payable to such Secured Party from any Grantor as a credit against the purchase price, and such Secured Party may, upon compliance with the terms of sale, hold, retain and dispose of such property without further accountability to any Grantor therefor. For purposes hereof, a

written agreement to purchase the Collateral or any portion thereof shall be treated as a sale thereof; the Collateral Agent shall be free to carry out such sale pursuant to such agreement and no Grantor shall be entitled to the return of the Collateral or any portion thereof subject thereto, notwithstanding the fact that after the Collateral Agent shall have entered into such an agreement all Events of Default shall have been remedied and the Obligations paid in full. As an alternative to exercising the power of sale herein conferred upon it, in accordance with, and to the extent consistent with, the terms of the Intercreditor Agreement, the Collateral Agent may proceed by a suit or suits at law or in equity to foreclose this Agreement and to sell the Collateral or any portion thereof pursuant to a judgment or decree of a court or courts having competent jurisdiction or pursuant to a proceeding by a court-appointed receiver.

**SECTION 7.02. Application of Proceeds.** In accordance with, and to the extent consistent with, the terms of the Intercreditor Agreement, the Collateral Agent shall apply the proceeds of any collection or sale of the Collateral, as well as any Collateral consisting of cash, as follows:

**FIRST**, to the payment of all costs and expenses incurred by the Administrative Agent or the Collateral Agent (in its capacity as such hereunder or under any other Loan Document) in connection with such collection or sale or otherwise in connection with this Agreement or any of the Obligations, including all court costs and the fees and expenses of its agents and legal counsel, the repayment of all advances made by the Collateral Agent hereunder or under any other Loan Document on behalf of any Grantor and any other costs or expenses incurred in connection with the exercise of any right or remedy hereunder or under any other Loan Document;

**SECOND**, to the payment in full of the Obligations (the amounts so applied to be distributed among the Secured Parties pro rata in accordance with the amounts of the Obligations owed to them on the date of any such distribution); and

**THIRD**, to the Grantors, their successors or assigns, or as a court of competent jurisdiction may otherwise direct.

The Collateral Agent shall have absolute discretion as to the time of application of any such proceeds, moneys or balances in accordance with this Agreement. Upon any sale of the Collateral by the Collateral Agent (including pursuant to a power of sale granted by statute or under a judicial proceeding), the receipt of the Collateral Agent or of the officer making the sale shall be a sufficient discharge to the purchaser or purchasers of the Collateral so sold and such purchaser or purchasers shall not be obligated to see to the application of any part of the purchase money paid over to the Collateral Agent or such officer or be answerable in any way for the misapplication thereof.

**SECTION 7.03. Grant of License to Use Intellectual Property.** In accordance with, and to the extent consistent with, the terms of the Intercreditor Agreement, for the purpose of enabling the Collateral Agent to exercise rights and

remedies under this Article at such time as the Collateral Agent shall be lawfully entitled to exercise such rights and remedies, each Grantor hereby grants to the Collateral Agent an irrevocable, non-exclusive license (exercisable without payment of royalty or other compensation to the Grantors) to the extent that such license does not violate any then existing licensing arrangements (to the extent that waivers cannot be obtained) to use, license or sub-license any of the Collateral consisting of Intellectual Property now owned or hereafter acquired by such Grantor, 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 computer software and programs used for the compilation or printout thereof and sufficient rights of quality control in favor of Grantor to avoid the invalidation of the Trademarks subject to the license. The use of such license by the Collateral Agent shall be exercised, at the option of the Collateral Agent, upon the occurrence and during the continuation of an Event of Default; provided that any license, sub-license or other transaction entered into by the Collateral Agent in accordance herewith shall be binding upon the Grantors notwithstanding any subsequent cure of an Event of Default.

## ARTICLE VIII

### Miscellaneous

SECTION 8.01. Notices. All communications and notices hereunder shall (except as otherwise expressly permitted herein) be in writing and given as provided in Section 10.01 of the Credit Agreement. All communications and notices hereunder to any Guarantor shall be given to it at its address or telecopy number set forth on Schedule I, with a copy to the Parent Borrower.

SECTION 8.02. Security Interest Absolute. All rights of the Collateral Agent hereunder, the Security Interest and all obligations of the Grantors hereunder shall be absolute and unconditional irrespective of (a) any lack of validity or enforceability of the Credit Agreement, any other Loan Document, any agreement with respect to any of the Obligations or any other agreement or instrument relating to any of the foregoing, (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 or waiver of or any consent to any departure from the Credit Agreement, any other Loan Document or any other agreement or instrument, (c) any exchange, release or non-perfection of any Lien on other collateral, or any release or amendment or waiver of or consent under or departure from any guarantee, securing or guaranteeing all or any of the Obligations, or (d) any other circumstance that might otherwise constitute a defense available to, or a discharge of, any Grantor in respect of the Obligations or this Agreement.

SECTION 8.03. Survival of Agreement. All covenants, agreements, representations and warranties made by any Grantor herein and in the certificates or other instruments prepared or delivered in connection with or pursuant to this Agreement shall be considered to have been relied upon by the Secured Parties and shall survive the making by the Lenders of the Loans, and the execution and delivery to the Lenders of any notes evidencing such Loans, regardless of any investigation made by the Lenders or on

their behalf, and shall continue in full force and effect until this Agreement shall terminate.

**SECTION 8.04. Binding Effect; Several Agreement.** This Agreement shall become effective as to any Grantor when a counterpart hereof executed on behalf of such Grantor shall have been delivered to the Collateral Agent and a counterpart hereof shall have been executed on behalf of the Collateral Agent, and thereafter shall be binding upon such Grantor and the Collateral Agent and their respective successors and assigns, and shall inure to the benefit of such Grantor, the Collateral Agent and the other Secured Parties and their respective successors and assigns, except that no Grantor shall have the right to assign or transfer its rights or obligations hereunder or any interest herein or in the Collateral (and any such assignment or transfer shall be void) except as expressly contemplated by this Agreement or the Credit Agreement. This Agreement shall be construed as a separate agreement with respect to each Grantor and may be amended, modified, supplemented, waived or released with respect to any Grantor without the approval of any other Grantor and without affecting the obligations of any other Grantor hereunder.

**SECTION 8.05. Successors and Assigns.** Whenever in this Agreement any of the parties hereto is referred to, such reference shall be deemed to include the successors and assigns of such party; and all covenants, promises and agreements by or on behalf of any Grantor or the Collateral Agent that are contained in this Agreement shall bind and inure to the benefit of their respective successors and assigns.

**SECTION 8.06. Collateral Agent's Expenses; Indemnification.** In accordance with, and to the extent consistent with, the terms of the Intercreditor Agreement, (a) each Grantor jointly and severally agrees to pay upon demand to the Collateral Agent the amount of any and all reasonable expenses, including the reasonable fees, disbursements and other charges of its counsel and of any experts or agents, which the Collateral Agent may incur in connection with (i) the administration of this Agreement, (ii) the custody or preservation of, or the sale of, collection from or other realization upon any of the Collateral, (iii) the exercise, enforcement or protection of any of the rights of the Collateral Agent hereunder or (iv) the failure of any Grantor to perform or observe any of the provisions hereof.

(b) Without limitation of its indemnification obligations under the other Loan Documents, each Grantor jointly and severally agrees to indemnify the Collateral Agent and the other Indemnitees against, and hold each of them harmless from, any and all losses, claims, damages, liabilities and related expenses, including reasonable fees, disbursements and other charges of counsel, incurred by or asserted against any of them arising out of, in any way connected with, or as a result of, the execution, delivery or performance of this Agreement or any claim, litigation, investigation or proceeding relating hereto or to the Collateral, whether or not any Indemnitee is a party thereto; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses have resulted from the gross negligence or willful misconduct of such Indemnitee.

(c) Any such amounts payable as provided hereunder shall be additional Obligations secured hereby and by the other Security Documents. The provisions of this Section 8.06 shall remain operative and in full force and effect regardless of the termination of this Agreement or any other Loan Document, the consummation of the transactions contemplated hereby, the repayment of any of the Loans, the invalidity or unenforceability of any term or provision of this Agreement or any other Loan Document, or any investigation made by or on behalf of the Collateral Agent or any Lender. All amounts due under this Section 8.06 shall be payable on written demand therefor.

**SECTION 8.07. GOVERNING LAW. THIS AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK.**

**SECTION 8.08. Waivers; Amendment.** (a) No failure or delay of the Collateral Agent in exercising any power or right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Collateral Agent hereunder and of the Collateral Agent, the Issuing Bank, the Administrative Agent, the other Agents and the Lenders under the other Loan Documents are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provisions of this Agreement or any other Loan Document or consent to any departure by any Grantor therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) below, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice to or demand on any Grantor in any case shall entitle such Grantor or any other Grantor to any other or further notice or demand in similar or other circumstances.

(b) Neither this Agreement nor any provision hereof may be waived, amended or modified except (i) pursuant to an agreement or agreements in writing entered into by the Collateral Agent and the Grantor or Grantors with respect to which such waiver, amendment or modification is to apply, subject to (A) any consent required in accordance with Section 10.02 of the Credit Agreement and (B) to the limitations in the Intercreditor Agreement or (ii) as provided in the Intercreditor Agreement.

**SECTION 8.09. WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS. EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT**

**AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS, AS APPLICABLE, BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 8.09.**

**SECTION 8.10. Severability.** In the event any one or more of the provisions contained in this Agreement should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby (it being understood that the invalidity of a particular provision in a particular jurisdiction shall not in and of itself affect the validity of such provision in any other jurisdiction). The parties shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

**SECTION 8.11. Counterparts.** This Agreement may be executed in two or more counterparts, each of which shall constitute an original but all of which when taken together shall constitute but one contract (subject to Section 8.04), and shall become effective as provided in Section 8.04. Delivery of an executed signature page to this Agreement by facsimile transmission shall be effective as delivery of a manually executed counterpart hereof.

**SECTION 8.12. Headings.** Article and Section headings used herein are for the purpose of reference only, are not part of this Agreement and are not to affect the construction of, or to be taken into consideration in interpreting, this Agreement.

**SECTION 8.13. Jurisdiction; Consent to Service of Process.** (a) Each Grantor hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of any New York State court or Federal court of the United States of America sitting in New York City, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement or the other Loan Documents, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State or, to the extent permitted by law, in such Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement shall affect any right that the Collateral Agent, the Administrative Agent, the Issuing Bank or any Lender may otherwise have to bring any action or proceeding relating to this Agreement or the other Loan Documents against any Grantor or its properties in the courts of any jurisdiction.

(b) Each Grantor hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement or the other Loan Documents in any New York State court or Federal court of the United States of America sitting in New York City. Each of the

parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(c) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 8.01. Nothing in this Agreement will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

**SECTION 8.14. Termination.** (a) This Agreement and the Security Interest shall terminate when all the Obligations have been indefeasibly paid in full, the Lenders have no further commitment to lend, the LC Exposure has been reduced to zero and the Issuing Bank has no further commitment to issue Letters of Credit under the Credit Agreement.

(b) A Guarantor shall automatically be released from its obligations hereunder and the Security Interest in the Collateral of such Guarantor shall be automatically released in the event that all the capital stock of such Guarantor shall be sold, transferred or otherwise disposed of to a Person that is not an Affiliate of the Parent Borrower in accordance with the terms of the Credit Agreement; provided that the Required Lenders shall have consented to such sale, transfer or other disposition (to the extent required by the Credit Agreement) and the terms of such consent did not provide otherwise.

(c) Upon any sale or other transfer by any Grantor of any Collateral that is permitted under the Credit Agreement, provided that the Required Lenders shall have consented to such transaction (to the extent required by the Credit Agreement) and the terms of such consent did not provide otherwise, or upon the effectiveness of any written consent to the release of the security interest granted hereby in any Collateral pursuant to Section 10.02 of the Credit Agreement, the security interest in such Collateral shall be automatically released.

(d) If any of the 2004 Notes First Lien Collateral (as defined in the Intercreditor Agreement) shall become subject to the release provisions set forth in Section 5.1(c) of the Intercreditor Agreement, such Collateral shall be automatically released from the Security Interest to the extent provided in Section 5.1(c) of the Intercreditor Agreement.

(e) In connection with any termination or release pursuant to paragraph (a), (b), (c) or (d) above, the Collateral Agent shall execute and deliver to the Grantors, at the Grantors' expense, all UCC termination statements and similar documents which the Grantor shall reasonably request to evidence such termination or release. Any execution and delivery of termination statements or release documents pursuant to this Section 8.14 shall be without recourse to or warranty by the Collateral Agent.

**SECTION 8.15. Additional Grantors.** Upon execution and delivery by the Collateral Agent and a Subsidiary of an instrument in the form of Annex 2, such

Subsidiary shall become a Grantor hereunder with the same force and effect as if originally named as a Grantor herein. The execution and delivery of any such instrument shall not require the consent of any Grantor hereunder. The rights and obligations of each Grantor hereunder shall remain in full force and effect notwithstanding the addition of any new Grantor as a party to this Agreement.

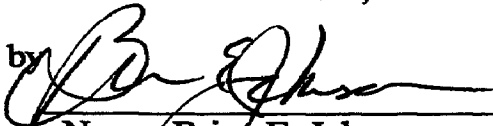
**SECTION 8.16. Subject to Intercreditor Agreement.** Notwithstanding anything herein to the contrary, the Lien and security interest granted to the Collateral Agent pursuant to this Agreement and the exercise of any right or remedy by the Collateral Agent hereunder are subject to the provisions of the Intercreditor Agreement. In the event of any conflict between the terms of the Intercreditor Agreement and this Agreement, the terms of the Intercreditor Agreement shall govern.

**SECTION 8.17. 2004 Indenture.** The Collateral Agent acknowledges and agrees, on behalf of itself and the Secured Parties, that, any provision of this Agreement to the contrary notwithstanding, until the 2004 Notes First Lien Transition Date (as defined in the Intercreditor Agreement), the Grantors shall not be required to act or refrain from acting with respect to any 2004 Notes First Lien Collateral on which the 2004 Trustee (as defined in the Intercreditor Agreement) has a Lien superior in priority to the Collateral Agent's Lien thereon in any manner that would result in a default under the terms and provisions of the 2004 Indenture (as defined in the Intercreditor Agreement).

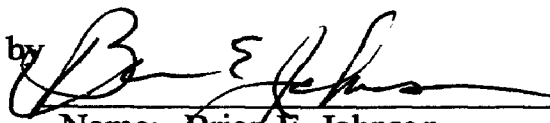


IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first above written.

PLIANT CORPORATION,

by   
Name: Brian E. Johnson  
Title: Executive Vice-President

EACH OF THE GUARANTORS LISTED ON SCHEDULE I HERETO,

by   
Name: Brian E. Johnson  
Title: Executive Vice-President

DEUTSCHE BANK TRUST COMPANY AMERICAS, as Collateral Agent,

by

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

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

PLIANT CORPORATION,

by

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

EACH OF THE GUARANTORS LISTED  
ON SCHEDULE I HERETO,

by

\_\_\_\_\_  
Name:  
Title: Authorized Officer

DEUTSCHE BANK TRUST COMPANY  
AMERICAS, as Collateral Agent,

by

  
\_\_\_\_\_  
Name: FRANK H. [unclear]  
Title: DIRECTOR

**SCHEDULE I TO THE SECURITY AGREEMENT**

**GUARANTORS**

Pliant Corporation International

Pliant Film Products of Mexico, Inc.

Pliant Packaging of Canada, LLC

Pliant Solutions Corporation

Uniplast Holdings, Inc.

Uniplast U.S., Inc.

Turex, Inc.

Pierson Industries, Inc.

Uniplast Midwest, Inc.

**SCHEDULE II TO THE SECURITY AGREEMENT****COPYRIGHTS****Owned by Pliant Corporation**

Pliant Corporation	Textual Works; Serial	TX1955822 TX1973056 TX1975683 TX2010782 TX2011249 TX2057536 TX2065628	11/14/86 01/12/87 01/12/87 02/17/87 03/12/87 04/20/87 05/13/87	Baby Talk Magazine
Pliant Corporation	Textual Works; Serial	TX1856716 TX1868011 TX1876984 TX1905997 TX1934224	06/30/86 07/14/86 08/11/86 09/12/86 10/15/86	Baby Talk Magazine
Pliant Corporation	Textual Works; Serial	TX1734654 TX1738073 TX1756461 TX1780533 TX1791752 TX1817050	01/13/86 01/15/86 02/10/86 03/10/86 04/09/86 05/09/86	Baby Talk Magazine
Pliant Corporation	Textual Works; Serial	TX1586293 TX1622145 TX1648083 TX1653848 TX1665954 TX1696919	06/13/85 07/12/85 08/15/85 09/13/85 10/15/85 11/13/85	Baby Talk Magazine
Pliant Corporation	Textual Works; Serial	TX1496139 TX1495374 TX1501441 TX1534586 TX1527339 TX1551494 TX1576572	11/13/84 01/07/85 01/16/85 02/19/85 03/14/85 04/16/85 05/15/85	Baby Talk Magazine

Pliant Corporation	Textual Works; Serial	TX1348528 TX1357671 TX1375646 TX1386984 TX1402858 TX1418414 TX1439293	04/13/84 05/18/84 06/11/84 07/20/84 08/17/84 09/19/84 10/18/84	Baby Talk Magazine
Pliant Corporation	Textual Works; Serial	TX1264709 TX1296824 TX1303476 TX1326550	01/09/84 01/20/84 02/13/84 03/09/84	Baby Talk Magazine
Pliant Corporation	Textual Works; Serial	TX1130295 TX1140992 TX1174881 TX1187277 TX1201983 TX1224790 TX1225848	05/11/83 06/13/83 07/15/83 08/10/83 09/13/83 10/14/83 11/10/83	Baby Talk Magazine
Pliant Corporation	Textual Works; Serial	TX1047307 TX1039787 TX1074944 TX1102124 TX1106931	01/11/83 01/18/83 02/14/83 03/14/83 04/11/83	Baby Talk Magazine
Pliant Corporation	Textual Works; Serial	TX957739 TX973761 TX987608 TX1013760	08/13/82 09/10/82 10/15/82 11/12/82	Baby Talk Magazine
Pliant Corporation	Textual Works; Serial	TX829849 TX874824 TX835262 TX847805 TX861244 TX888270 TX902491 TX918832 TX931179	11/12/81 01/11/82 01/08/82 02/17/82 03/08/82 04/15/82 05/17/82 06/11/82 07/15/82	Baby Talk Magazine
Pliant Corporation	Textual Works;	TX731851	07/20/81	Baby Talk Magazine

	<b>Serial</b>	TX753417 TX767946 TX778701	08/26/81 09/15/81 10/15/81	
<b>Pliant Corporation</b>	<b>Textual Works; Serial</b>	TX612739 TX631394 TX654634 TX660608 TX670310 TX693641 TX710446	01/12/81 01/19/81 02/13/81 03/16/81 04/13/81 05/08/81 06/16/81	<b>Baby Talk Magazine</b>
<b>Pliant Corporation</b>	<b>Textual Works; Serial</b>	TX504295 TX518209 TX567874 TX547801 TX567921 TX580946	06/18/80 07/14/80 08/11/80 09/18/80 10/20/80 11/16/80	<b>Baby Talk Magazine</b>
<b>Pliant Corporation</b>	<b>Textual Works; Serial</b>	TX432159 TX428269 TX500727 TX418404 TX445514 TX459027 TX475133	11/19/79 01/23/80 02/01/80 02/20/80 03/20/80 04/18/80 05/19/80	<b>Baby Talk Magazine</b>
<b>Pliant Corporation</b>	<b>Textual Works; Serial</b>	TX376834 TX338496 TX335599 TX357434	07/13/79 08/15/79 09/12/79 10/23/79	<b>Baby Talk Magazine</b>
<b>Pliant Corporation</b>	<b>Textual Works; Serial</b>	TX221628 TX186383 TX201357 TX212384 TX233952 TX255044 TX277202	01/09/79 01/18/79 02/09/79 03/09/79 04/10/79 05/21/79 06/14/79	<b>Baby Talk Magazine</b>
<b>Pliant Corporation</b>	<b>Textual Works; Serial</b>	TX82466 TX82412 TX84202	06/15/78 07/31/78 08/11/78	<b>Baby Talk Magazine</b>

		TX114262 TX124530 TX142502	09/22/78 10/18/78 11/13/78	
Pliant Corporation	Textual Works; Serial	TX6172 TX10020 TX36893 TX28665 TX63343 TX47871	01/06/78 01/23/78 02/16/78 03/22/78 04/14/78 05/19/78	Baby Talk Magazine

**SCHEDULE III TO THE SECURITY AGREEMENT****LICENSES**

Goodyear Tire & Rubber Company (now Huntsman Packaging Corporation ("HPC"))	Kohler Packaging Ltd. (now Kohler Packaging Ltd.)	6/29/1992	Trademark
Rubbermaid Incorporated (now Decora, Inc.)	Occidental Chemical Corporation (Vulcan Material Plastico)	7/14/1993	Patent
Saltech Inc.	Huntsman Film Products Corporation	10/8/2003	Patent
Dean Garrett	Huntsman Design Products	1/1/1995	Patent
HPC	Kohler Packaging Limited	10/30/1995	Trademark
KCL Corporation	Reynolds Consumer Prods.	1/1/1996	Patent
JD Edwards	Pliant Corporation	9/30/1996	
Huntsman Film Products Corporation	FMC Corporation (now Hudson Sharp)	3/1/1997	
Dowbrands L.P. and KCL Corporation	Dowbrands L.P. and KCL Corporation	7/14/1997	Patent
KCL Corporation	Illinois Tool Works, Inc.	1/3/1998	Patent
AR Traffic Consultants, Inc.	HPC	3/2/1999	
DuPont	Pierson Industries	1/24/2000	Patent
Seagul Software Systems	HPC	3/13/2000	
Rafco Plastics, Inc.	Pliant Corporation	8/19/2000	
Pliant Corporation	Robbie Manufacturing, Inc.	9/2000	Patent
Jaguar Packaging, Inc.	Pliant Corporation	11/20/2000	Patent and Trademark



Pliant Corporation	Alliant Company, LLC	10/16/2001	Trademark

**SCHEDULE IV TO THE SECURITY AGREEMENT**

**U.S. PATENTS – PLIANT CORPORATION**

<b>APP. NO. / FILED</b>	<b>DESCRIPTION</b>	<b>OWNER</b>
App. No.: 60/001,818 Filed: 01AU1995	Agricultural Mulch Films and Methods for Their Use (Provisional)	Pliant Corporation
Patent No. 1,317,053 Expires: 27AP2010	Method of Making an Anti-Fugative Anti-Fogging Compound	Pliant Corporation
Patent No. 6,438,926 Expires: 07NO2017	Method and Apparatus for Placing a Product in a Flexible Recloseable Container	Pliant Corporation
Patent No. 6,562,425 Expires: 23MY2016	Carrier Release Sheet for Molding Process and Process and System (Denehy III)	Pliant Corporation
Patent No. 6,576,308 Expires: N/A	Carrier Release Sheet for Styrene Molding Process and Process System (Denehy II)	Pliant Corporation
Patent No.: 4,747,702 Expires: 5/31/05	Interlocking Closure Device Having Controlled Separation and Improved Ease of Occlusion	Pliant Corporation
Patent No.: 4,917,506 Expires: 4/17/07	Interlocking Closure Device Having Controlled Separation and Improved Ease of Occlusion	Pliant Corporation
Patent No.: 4,923,750 Expires: 12/30/07	Thermoplastic Stretch-Wrap Material	Pliant Corporation
Patent No.: 5,738,478 Expires: 5/11/2015	Automatic Wicketing Apparatus	Pliant Corporation
Patent No.: 2,012,111 Expires: N/A	Rip-N-Zip Generation III	Pliant Corporation
Patent No.: 4,241,865 Expires: N/A	Recloseable Shipping Sack and Method	Pliant Corporation
Patent No.: 4,655,862 Expires: 4/7/04	Method and Means for Making Recloseable Bags	Pliant Corporation
Patent No.: 4,746,689 Expires: 7/21/06	Method of Making an Anti-Fugative Anti-Fogging Compound	Pliant Corporation
Patent No.: 4,778,634 Expires: 04AU2006	Process for the Manufacture of Porous Film	Pliant Corporation
Patent No.: 4,832,886 Expires: 04AU2006	Abrasion Process for the Manufacture of Microporous Film	Pliant Corporation
Patent No.: 4,902,140 Expires: 06AP2009	Detachable Handle for Shipping Sacks	Pliant Corporation
Patent No.: 4,907,321 Expires: 3/13/10	Enhanced Color Change	Pliant Corporation
Patent No.: 4,995,927 Expires: 3/22/08	Process for and Product Related to Fabricating Linked Duplex Film with Trapped Printing	Pliant Corporation
Patent No.: 5,035,517 Expires: 3/17/09	Recloseable Shipping Sack	Pliant Corporation

**SCHEDULE IV TO THE SECURITY AGREEMENT**  
**U.S. PATENTS – PLIANT CORPORATION (Continued)**

PATENT NO. EXPIRES/DATE	INVENTION TITLE	OWNER
Patent No.: 5,091,262 Expires: 8/27/10	Starch Filled Coextruded Degradable Polyethylene Film	Pliant Corporation
Patent No.: 5,116,677 Expires: 5/26/09	Thermoplastic Stretch-Wrap Material	Pliant Corporation
Patent No.: 5,417,040 Expires: 9/20/13	Method of Making and Filling a Resealable	Pliant Corporation
Patent No.: 5,459,186 Expires: 8/2/11	Peelable Thermoplastic Film	Pliant Corporation
Patent No.: 5,495,946 Expires: 4/29/14	Wicketless Saddle Pack of Plastic Bags	Pliant Corporation
Patent No.: 5,522,690 Expires: 05/11/2015	Automatic Wicketing Apparatus	Pliant Corporation
Patent No.: 5,526,934 Expires: 4/29/14	Wicketless Plastic Bag Pack with Tapered Weld Hole	Pliant Corporation
Patent No.: 5,529,394 Expires: 9/20/13	Method of Making and Filling a Resealable Bag	Pliant Corporation
Patent No.: 5,564,259 Expires: 10/15/2013	Method and Apparatus for Resealable Closure Addition to Form, Fill and Seal Bag	Pliant Corporation
Patent No.: 5,729,929 Expires: 7/25/16	Agricultural Mulch Films and Methods for Their Use	Pliant Corporation
<del>Patent No.: 5,905,285 Expires: 8/29/17</del>	<del>Endstop and Docking Means for Thermoplastic Bags</del>	<del>Pliant Corporation</del>
Patent No.: 5,911,553 Expires: 5/11/2015	Automatic Wicketing Apparatus	Pliant Corporation
Patent No.: 5,941,474 Expires: 7/16/16	System, Apparatus and Method for Unloading and Loading Winder Shafts	Pliant Corporation
Patent No.: 5,985,391 Expires: 8/12/17	Carrier Release Sheet for Molding Compound	Pliant Corporation
Patent No.: 6,273,663 Expires: 5/11/2015	Automatic Wicketing Apparatus	Pliant Corporation
Patent No.: 6,363,692 Expires: N/A	Method and Apparatus for Placing a Product in a Flexible Recloseable Container	Pliant Corporation
Patent No.: RE. 34,905 Expires: 12/22/06	Method and Apparatus for Making Recloseable Bags in a Form, Fill and Seal Machine	Pliant Corporation

**SCHEDULE IV TO THE SECURITY AGREEMENT**

**FOREIGN PATENTS – PLIANT CORPORATION**

FOREIGN PATENT NO.	INVENTION TITLE	OWNER
Canadian Appl. No.: 2218660 (Pending)	Method and Apparatus for Automatically Stacking Bags and Placing the Stacks Upon Wicket Pins	Pliant Corporation

**SCHEDULE IV TO THE SECURITY AGREEMENT**  
**U.S. PATENTS – PLIANT SOLUTIONS CORPORATION**

<b>PATENT NO. / EXPIRES DATE</b>	<b>INVENTION TITLE</b>	<b>OWNER</b>
Patent No.: 5,155,967 Expires: 1/3/11	Automated Bag Manufacturing and Packaging System	Pliant Solutions Corporation
Patent No.: 6,209,287 Expires: 8/6/19	Method and Apparatus for Placing a Product in a Flexible Container	Pliant Solutions Corporation
Patent No.: 4,758,099 Expires: 29JA2007	Flexible Container Having Resealable Closures	Pliant Solutions Corporation
Patent No.: 4,767,654 Expires: 10/18/2005	Detachable Coupon Label	Pliant Solutions Corporation
Patent No.: 4,787,755 Expired: 11AU2007	Recloseable Flexible Container Having Fastener Profiles Sealed at their Ends to the Outside of the Bag	Pliant Solutions Corporation
Patent No.: 4,863,286 Expires: 20OC2008	Recloseable Bag with Pivotal Fastener Profiles	Pliant Solutions Corporation
Patent No.: 4,927,271 Expires: 12/12/08	Recloseable Tamper Evident Bag with Hooded Closure	Pliant Solutions Corporation
Patent No.: 4,941,196 Expires: 01NO2008	Tamper Evident Bag	Pliant Solutions Corporation
Patent No.: 5,059,033 Expires: 06AP2009	Detachable Handle for Shipping Sacks	Pliant Solutions Corporation
Patent No.: 5,407,277 Expires: 11/23/13	Tamper Evident Bag with Auxiliary Bag	Pliant Solutions Corporation
Patent No.: 5,417,035 Expires: 5/23/12	Apparatus and Method for Manufacture of Flexible Recloseable Containers	Pliant Solutions Corporation
Patent No.: 5,417,495 Expires: 5/2/14	Recloseable Bag	Pliant Solutions Corporation
Patent No.: 5,441,784 Expires: 4/4/2014	Paper Base Wallcovering	Pliant Solutions Corporation
Patent No.: 5,561,966 Expires: 10/8/13	Apparatus and Method for Manufacture of Flexible Recloseable Containers	Pliant Solutions Corporation
Patent No.: 5,664,299 Expires: 9/10/16	Recloseable Fastener Assembly	Pliant Solutions Corporation
Patent No.: 5,707,472 Expires: 1/13/2015	Composite for In-mold Transfer Printing and Process for In-mold Printing of Molded Plastic or Rubber Articles Therewith	Pliant Solutions Corporation
Patent No.: 5,736,249 Expires: 4/7/2015	Non-stick Polymer-coated Articles of Manufacture	Pliant Solutions Corporation
Patent No.: 5,814,402 Expires: 9/29/2015	Pressure Sensitive Dry Transfer Graphics Article and Method of Manufacture	Pliant Solutions Corporation
Patent No.: 5,836,056 Expires: 9/10/16	Recloseable Fastener Assembly	Pliant Solutions Corporation
Patent No.: 5,871,281 Expires: 11/25/16	Zipper Slider Pivoting Wedge	Pliant Solutions Corporation

**SCHEDULE IV TO THE SECURITY AGREEMENT**

**U.S. PATENTS – PLIANT SOLUTIONS CORPORATION (Continued)**

<b>U.S. PATENT NO. EXPIRES: DATE</b>	<b>INVENTION TITLE</b>	<b>OWNER</b>
Patent No.: 5,910,535 Expires: 5/3/2016	Water based coating composition having sacrificial layer for stain removal	Pliant Solutions Corporation
Patent No.: 5,929,005 Expires: 12/4/2018	Graffiti Remover which Comprises an Active Solvent, a Secondary Solvent, an Emollient and a Particulate Filler and Method for its Use	Pliant Solutions Corporation
Patent No.: 5,935,692 Expires: 10/06/2012	Composite for In-mold Transfer Printing	Pliant Solutions Corporation
Patent No.: 5,950,285 Expires: N/A	Endstop and Docking Means for Thermoplastic Bags	Pliant Solutions Corporation
Patent No.: 5,956,815 Expires: 5/19/17	Slider Zipper Recloseable Fastener	Pliant Solutions Corporation
Patent No.: 5,956,924 Expires: 11/7/17	Method and Apparatus for Placing a Product in a Flexible Recloseable Container	Pliant Solutions Corporation
Patent No.: 6,057,276 Expires: 12/4/2018	Graffiti Remover which Comprises an Active Solvent, a Secondary Solvent, an Emollient and a Particulate Filler and Method for its Use	Pliant Solutions Corporation
Patent No.: 6,084,020 Expires: 8/16/2014	Non-stick Polymer-coated Articles of Manufacture, and Process and Coatings of the Production Thereof	Pliant Solutions Corporation
Patent No.: 6,086,995 Expires: 7/11/2017	Self-wound Self-adhesive surface covering material	Pliant Solutions Corporation
Patent No.: 6,120,849 Expires: 8/16/2014	Process for Producing Coated Articles of Manufacture	Pliant Solutions Corporation
Patent No.: 6,153,304 Expires: N/A	Hydrophobic Coating System for Application to an Inorganic, organic or metallic substrate	Pliant Solutions Corporation
Patent No.: 6,178,602 Expires: 5/19/17	Slider Zipper Recloseable Fastener	Pliant Solutions Corporation
<del>Patent No.: 6,209,287 Expires: N/A</del>	<del>Method and Apparatus for Placing a Product in a Flexible Recloseable Container</del>	<del>Pliant Solutions Corporation</del>
Patent No.: 6,216,423 Expires: N/A	Method and Apparatus for Placing a Product in a Flexible Recloseable Container	Pliant Solutions Corporation
Patent No.: 6,257,763 Expires: N/A	Tamper Evident Zipper Slider	Pliant Solutions Corporation
Patent No.: 6,312,777 Expires: 11/6/2018	Methods and Composition for Making a Pressure Sensitive Adhesive Coated Laminate	Pliant Solutions Corporation
Patent No.: 6,499,272 Expires: 07NO2017	Method for Placing a Product in a Flexible Recloseable Container	Pliant Solutions Corporation

**SCHEDULE IV TO THE SECURITY AGREEMENT**

**U.S. PATENTS – PLIANT SOLUTIONS CORPORATION (Continued)**

PATENT INFORMATION		
Patent No.: Des. 402,543 Expires: 12/15/12	Waste Bag	Pliant Solutions Corporation
Patent No.: Des. 422,909 Expires: 4/18/14	Slider for a Recloseable Thermoplastic Bag	Pliant Solutions Corporation

**SCHEDULE V TO THE SECURITY AGREEMENT**

**TRADEMARKS**

See attached



UNITED STATES - PLIANT CORPORATION

Country	Trademark	Sub Status	Curr Reg No	Reg Dt	Curr App No	App Dt	Expires	CL & NO	Current OWNER
United States	703DC	REGISTERED	1483437	05AP1988	73/679,664	20AU1987	05AP2008	IN 17	PLIANT CORPORATION
United States	ALLIANT	REGISTERED	2,657,111	03DE2002	76/227,813	20MR2001	03DE2012	IN 20	PLIANT CORPORATION
United States	ALLIANT AND DESIGN	REGISTERED	2,687,393	11FE2003	76/313,927	18SE2001	11FE2013	IN 16	PLIANT CORPORATION
United States	ALLIANT AND DESIGN	REGISTERED	2,687,392	11FE2003	76/313,926	18SE2001	11FE2013	IN 20	PLIANT CORPORATION
United States	ALLIANT RECLOSABLE TECHNOLOGIE	REGISTERED	2,681,829	28JA2003	76/313,702	18SE2001	28JA2013	IN 16	PLIANT CORPORATION
United States	ALLIANT RECLOSABLE TECHNOLOGIE	REGISTERED	2,684,637	04FE2003	76/313,703	18SE2001	04FE2013	IN 20	PLIANT CORPORATION
United States	BFO	REGISTERED	1,600,830	12JE1990	73/778,909	06FE1989	12JE2010	IN 17	PLIANT CORPORATION
United States	BIRDTITE	REGISTERED	2,754,091	19AU2003	76/351,761	20DE2001	19AU2013	IN 16	PLIANT CORPORATION
United States	BLAST	REGISTERED	2,608,039	13AU2002	76/054,374	23MY2000	13AU2012	IN 16	PLIANT CORPORATION
United States	CHEEZFILM	REGISTERED	1,857,875	11OC1984	74/450,529	21OC1983	11OC2004	IN 16	PLIANT CORPORATION
United States	CHOICE-WRAP	REGISTERED	857929	01OC1968	72/266,325	09MR1967	01OC2008	IN 17	PLIANT CORPORATION
United States	CLOUD NINE AND DESIGN	REGISTERED	1,359,201	10SE1985	73/478,223	30AP1984	10SE2005	IN 17	PLIANT CORPORATION
United States	P PLIANT CORPORATION FILMS. PA	REGISTERED	2,693,875	04MR2003	76/146,414	12OC2000	04MR2013	IN 17	PLIANT CORPORATION
United States	CT FILM & DESIGN	REGISTERED	1,286,012	17JL1984	73/339,961	03DE1981	17JL2004	IN 17	PLIANT CORPORATION
United States	DP AND DESIGN	REGISTERED	977946	05FE1974	72/424,331	15MY1972	05FE2004	IN 17	PLIANT CORPORATION
United States	DUBL-PAK	REGISTERED	852,101	09JL1968	72/215,251	29MR1965	09JL2008	IN 16	PLIANT CORPORATION
United States	ELASTIFILM	REGISTERED	1100744	29AU1978	73/158,208	08FE1978	29AU2008	IN 16	PLIANT CORPORATION
United States	ELASTIFILM ULTRA	REGISTERED	2,238,366	13AP1999	75/372,639	14OC1997	13AP2009	IN 16	PLIANT CORPORATION
United States	FREEZENE	REGISTERED	2,727,882	17JE2003	76/272,245	15JE2001	17JE2013	IN 17	PLIANT CORPORATION
United States	FRY-PAK	REGISTERED	1959770	05MR1986	74/563,535	19AU1984	05MR2006	IN 16	PLIANT CORPORATION
United States	H AND DESIGN	REGISTERED	2,284,747	12OC1989	75/435,760	17FE1988	12OC2009	IN 17	PLIANT CORPORATION
United States	H AND DESIGN	REGISTERED	2,284,746	12OC1989	75/435,759	17FE1988	12OC2009	IN 17	PLIANT CORPORATION
United States	HL	REGISTERED	1,600,831	12JE1990	73/779,067	06FE1989	12JE2011	IN 17	PLIANT CORPORATION
United States	K-SEAL	REGISTERED	1,364,548	08OC1985	73/530,953	08AP1985	08OC2005	IN 16	PLIANT CORPORATION
United States	KCL	REGISTERED	1,469,023	15DE1987	73/656,457	20AP1987	15DE2007	IN 16	PLIANT CORPORATION

UNITED STATES - PLIANT CORPORATION												
Country	Trademark	Sub Status	Curr Reg No	Reg Dt	Curr App No	App Dt	Expires	CL & NO	Current OWNER			
United States	KCL	REGISTERED	1,477,181	16FE1988	73/656,453	20AP1987	16FE2008	IN 42	PLIANT CORPORATION			
United States	LAB SEAL	REGISTERED	2,547,349	12MR2002	76/284,888	13JL2001	12MR2012	IN 09	PLIANT CORPORATION			
United States	MAXILENE	REGISTERED	1,267,132	14FE1984	73/404,687	03DE1982	14FE2004	IN 17	PLIANT CORPORATION			
United States	OMNIFILM	REGISTERED	1,208,308	14SE1982	73/339,450	30NO1981	14SE2012	IN 16	PLIANT CORPORATION			
United States	OPTX	REGISTERED	2,652,495	18NO2002	76/131,982	20SE2000	19NO2012	IN 16	PLIANT CORPORATION			
United States	P DESIGN	REGISTERED	2,691,463	25FE2003	76/139,696	29SE2000	25FE2013	IN 17	PLIANT CORPORATION			
United States	P DESIGN (STYLIZED)	REGISTERED	2,664,147	17DE2002	76/146,413	12OC2000	17DE2012	IN 17	PLIANT CORPORATION			
United States	P PLIANT CORPORATION AND DESIG	REGISTERED	2,693,866	04MR2003	76/139,697	29SE2000	04MR2013	IN 17	PLIANT CORPORATION			
United States	P PLIANT CORPORATION AND DESIG	REGISTERED	2,743,080	28JL2003	76/146,412	12OC2000	29JUL2013	IN 17	PLIANT CORPORATION			
United States	P PLIANT CORPORATION FILMS. PA	REGISTERED	2,669,886	31DE2002	76/139,698	29SE2000	31DE2012	IN 17	PLIANT CORPORATION			
United States	P PLIANT CORPORATION FILMS. PA	REGISTERED	2,693,875	04MR2003	76/146,414	12OC2000	04MR2013	IN 17	PLIANT CORPORATION			
United States	PERMA-BLOCK	REGISTERED	1,947,873	16JA1996	74/435,949	15SE1993	16JA2006	IN 17	PLIANT CORPORATION			
United States	PLIANT CORPORATION	REGISTERED	2,560,107	09AP2002	76/049,537	16MY2000	09AP2012	IN 17	PLIANT CORPORATION			
United States	PLYLENE	REGISTERED	1,098,786	08AU1978	73/147,331	04NO1977	08AU2008	IN 17	PLIANT CORPORATION			
United States	PRIME-WRAP (STYLIZED)	REGISTERED	819118	22NO1966	72/239,517	24FE1966	22NO2006	NA	37			
United States	RELIANT	PENDING	N/A	N/A	76/283,422	11JL2001	N/A	IN 20	PLIANT CORPORATION			
United States	RELIANT	PENDING	N/A	N/A	76/283,421	11JL2001	N/A	IN 16	PLIANT CORPORATION			
United States	RELIANT SERIES 200	PENDING	N/A	N/A	76/303,631	21AU2001	N/A	IN 16	PLIANT CORPORATION			
United States	RELIANT SERIES 200	REGISTERED	2,753,941	19AU2003	76/303,632	21AU2001	19AU2013	IN 20	PLIANT CORPORATION			
United States	RELIANT SLIDER TECHNOLOGIES A	REGISTERED	2,753,972	19AU2003	76/313,555	18SE2001	19AU2013	IN 20	PLIANT CORPORATION			
United States	RELIANT SLIDER TECHNOLOGIES A	PENDING	N/A	N/A	76/313,554	18SE2001	N/A	IN 16	PLIANT CORPORATION			
United States	REVOLUTION	REGISTERED	2,753,870	19AU2003	76/267,751	06JE2001	19AU2013	IN 17	PLIANT CORPORATION			
United States	SECURALL	REGISTERED	1,381,419	04FE1986	73/547,573	12JL1985	04FE2006	IN 17	PLIANT CORPORATION			
United States	SHO CASE	REGISTERED	1,678,544	10MR1992	73/779,093	06FE1989	10MR2012	IN 17	PLIANT CORPORATION			
United States	STRATA	REGISTERED	1485267	19AP1988	73/681,751	31AU1987	19AP2008	IN 17	PLIANT CORPORATION			

UNITED STATES - PLIANT CORPORATION

Country	Trademark	Sub Status	Curr Reg No	Reg Dt	Curr App No	App Dt	Expires	CL & NO	Current OWNER
United States	P PLIANT CORPORATION FILMS. PA	REGISTERED	2,669,886	31DE2002	76/139,698	29SE2000	31DE2012	IN 17	PLIANT CORPORATION
United States	TOUGH GUARD	REGISTERED	987894	08JL1974	72/460,278	14JE1973	09JL2004	IN 16	PLIANT CORPORATION
United States	ULTRA FREEZENE	PENDING	N/A	N/A	76/272,246	15JE2001	N/A	IN 17	PLIANT CORPORATION
United States	UNIVOH	REGISTERED	2,077,576	08JL1997	75/149,426	13AU1996	08JL2007	IN 16	PLIANT CORPORATION
United States	VITAFILM	REGISTERED	422,922	20AU1946	71/479,120	29JA1945	20AU2006	NA	37
United States	VITAFRESH	REGISTERED	1185722	12JA1982	73/257,088	07AP1980	12JA2012	IN 16	PLIANT CORPORATION
United States	VITAWRAP	REGISTERED	839152	21NO1987	72/260,546	12DE1966	21NO2007	IN 16	PLIANT CORPORATION
United States	WINWRAP	REGISTERED	1,882,217	07MR1995	74/487,444	07FE1994	07MR2005	IN 17	PLIANT CORPORATION

UNITED STATES - PLIANT SOLUTIONS CORPORATION										
Country	Trademark	Sub Status	Curr Reg No	Reg Dt	Curr App No	App Dt	Expires	CL & NO	Current OWNER	
United States	COBRA	REGISTERED	1,516,363	13DE1988	73/675,861	31JL1987	13DE2008	IN 17	PLIANT SOLUTIONS CORPORATION	
United States	CON-TACT	REGISTERED	998,439	19NO1974	73/004,205	23OC1973	19NO2004	IN 16	PLIANT SOLUTIONS CORPORATION	
United States	CON-TACT	REGISTERED	642,136	26FE1957	72/013,866	13AU1956	26FE2007	IN 50	PLIANT SOLUTIONS CORPORATION	
United States	CON-TACT	REGISTERED	630,599	10JL1956	71/699,344	02DE1955	10JL2006	IN 20	PLIANT SOLUTIONS CORPORATION	
United States	CON-TACT (STYLIZED)	REGISTERED	615,845	08NO1955	71/670,713	27JL1954	08NO2005	IN 24	PLIANT SOLUTIONS CORPORATION	
United States	CON-TACT (STYLIZED)	REGISTERED	658,898	25FE1958	72/026,132	13MR1957	25FE2008	IN 50	PLIANT SOLUTIONS CORPORATION	
United States	CON-TACT (STYLIZED)	REGISTERED	627,275	22MY1956	71/688,978	06JE1955	22MY2006	IN 20	PLIANT SOLUTIONS CORPORATION	
United States	WHERE TECHNOLOGY DECORATES	REGISTERED	2,178,269	04AU1998	75/300,692	30MY1997	04AU2008	IN 16	PLIANT SOLUTIONS CORPORATION	
United States	CON-TACT CRYSTAL CLING	PENDING	N/A	N/A	78/192,656	09DE2002	N/A	IN 16	PLIANT SOLUTIONS CORPORATION	
United States	CON-TACT GRIP LINER	REGISTERED	2,401,497	07NO2000	75/676,137	06AP1999	07NO2010	IN 20	PLIANT SOLUTIONS CORPORATION	
United States	CRAF-TACT	PENDING	N/A	N/A	78/269,596	02JL2003	N/A	IN 16	PLIANT SOLUTIONS CORPORATION	
United States	DECORA ART	REGISTERED	2,168,574	23JE1988	75/240,720	12FE1987	23JE2008	IN 16	PLIANT SOLUTIONS CORPORATION	
United States	DECORA GLASS ART	REGISTERED	2,157,664	12MY1998	75/189,863	30OC1996	12MY2008	IN 16	PLIANT SOLUTIONS CORPORATION	
United States	DECORA TILE ART	REGISTERED	2,159,670	19MY1998	75/189,865	30OC1996	19MY2008	IN 16	PLIANT SOLUTIONS CORPORATION	
United States	DECORA WALL ART	REGISTERED	2,149,797	07AP1988	75/189,864	30OC1996	07AP2008	IN 16	PLIANT SOLUTIONS CORPORATION	
United States	DECOTAC	REGISTERED	2,153,000	21AP1988	75/126,233	27JE1986	21AP2008	IN 16	PLIANT SOLUTIONS CORPORATION	

UNITED STATES - PLIANT SOLUTIONS CORPORATION

Country	Trademark	Sub Status	Curr Reg No	Reg Dt	Curr App No	App Dt	Expires	CL & NO	Current OWNER
United States	FROSTY	REGISTERED	2,377,388	15AU2000	75/759,965	26JUL1999	15AU2010	IN 27	PLIANT SOLUTIONS CORPORATION
United States	IDEAS BY THE ROOMFUL	REGISTERED	2,332,543	21MR2000	75/687,506	21AP1999	21MR2010	IN 16	PLIANT SOLUTIONS CORPORATION
United States	READI-WRITE	PENDING	N/A	N/A	78/193,595	11DE2002	N/A	IN 16	PLIANT SOLUTIONS CORPORATION
United States	WALLPAPER FOR WINDOWS	REGISTERED	2,376,441	15AU2000	75/404,394	12DE1997	15AU2010	IN 42	PLIANT SOLUTIONS CORPORATION
United States	WE ARE HOME	REGISTERED	2,525,677	01JA2002	75/701,785	06MY1999	01JA2012	IN 20	PLIANT SOLUTIONS CORPORATION
United States	WEARLON	REGISTERED	1,869,137	27DE1994	74/415,905	22JUL1993	27DE2004	IN 1	PLIANT SOLUTIONS CORPORATION
United States	WHERE TECHNOLOGY DECORATES	REGISTERED	2,178,289	04AU1998	75/300,692	30MY1997	04AU2008	IN 16	PLIANT SOLUTIONS CORPORATION

**UNITED STATES - PIERSON INDUSTRIES INC.**

Country	Trademark	Sub Status	Curr Reg No	Reg Dt	Curr App No	App Dt	Expires	CL & NO	Current OWNER
United States	VERSI-PLY	REGISTERED	887,561	01AP1969	72/290,644	08FE1968	01AP2009	IN 16	PIERSON INDUSTRIES, INC.

**UNITED STATES - UNIPLAST INDUSTRIES CO.**

Country	Trademark	Sub Status	Curr Reg No	Reg Dt	Curr App No	App Dt	Expires	CL & NO	Current OWNER
United States	AQUAWRAP	PENDING	N/A	N/A	76/119,390	23AU2000	N/A	IN 16	UNIPLAST INDUSTRIES CO.
United States	UNIPLAST	REGISTERED	2,125,687	30DE1997	75/229,477	07OC1997	30DE2007	IN 17	UNIPLAST INDUSTRIES CO.

**CANADIAN - PLIANT CORPORATION**

Country	Trademark	Sub Status	Curr Reg No	Reg Dt	Curr App No	App Dt	Expires	Cl. & NO	Current OWNER
Canada	ALLIANT	PENDING	N/A	N/A	1,110,220	20JL2001	N/A	IN 20	PLIANT CORPORATION
Canada	BLAST	REGISTERED	580,592	05MY2003	1,080,662	27OC2000	05MY2018	IN 17	PLIANT CORPORATION
Canada	CHEEZFILM	REGISTERED	331077	14AU1987	565063	26JE1986	14AU2017	IN 16	PLIANT CORPORATION
Canada	ELASTIFILM	REGISTERED	TMA239853	08FE1980	427995	31JL1978	08FE2010	IN 16	PLIANT CORPORATION
Canada	OMNIFILM	REGISTERED	279,614	20MY1983	0481632	01FE1982	20MY2013	IN 16	PLIANT CORPORATION
Canada	OPTX	PENDING	N/A	N/A	1,080,661	27OC2000	N/A	IN 17	PLIANT CORPORATION
Canada	REVOLUTION	PENDING	N/A	N/A	1,110,218	20JL2001	N/A	IN 17	PLIANT CORPORATION
Canada	TOUGH GUARD	REGISTERED	205241	14FE1975	369501	01NO1973	14FE2005	IN 16	PLIANT CORPORATION
Canada	TXO	REGISTERED	211273	09JA1976	383093	19FE1975	09JA2006	IN 16	PLIANT CORPORATION
Canada	TXSS	REGISTERED	230853	10NO1978	405087	09DE1976	10NO2008	IN 16	PLIANT CORPORATION
Canada	VITAFILM	REGISTERED	UCA020577	28AP1945	166799	28AP1945	28AP2005	IN 37	PLIANT CORPORATION
Canada	VITASPENSER	REGISTERED	TMA194178	21SE1973	353559	23MY1972	21SE2018	IN 20	PLIANT CORPORATION
Canada	VITAWRAP	REGISTERED	152251	28JL1967	299952	03OC1966	28JL2012	IN 16	PLIANT CORPORATION
Canada	WINWRAP	REGISTERED	508886	05MR1999	786197	27JE1895	05MR2014	IN 17	PLIANT CORPORATION



**CANADA - PLIANT SOLUTIONS CORPORATION**

Country	Trademark	Sub Status	Curr Reg No	Reg Dt	Curr App No	App Dt	Expires	CL & NO	Current OWNER
Canada	CONTACT	REGISTERED	TMA114,963	14AU1959	249,032	19JA1959	14AU2019	IN 1	PLIANT SOLUTIONS CORPORATION
Canada	CON-TACT (STYLIZED)	REGISTERED	TMA114,896	07AU1959	249,038	19JA1959	07AU2019	IN 1	PLIANT SOLUTIONS CORPORATION
Canada	CON-TACT CRYSTAL CLING	PENDING	N/A	N/A	1,180,484	05JE2003	N/A	IN 16	PLIANT SOLUTIONS CORPORATION
Canada	FROSTY	REGISTERED	580,619	05MY2003	1,025,886	16AU1999	05MY2018	IN 27	PLIANT SOLUTIONS CORPORATION
Canada	READI-WRITE	PENDING	N/A	N/A	1,180,976	09JE2003	N/A	IN 16	PLIANT SOLUTIONS CORPORATION
Canada	RELIANT	PENDING	N/A	N/A	1,110,219	20JL2001	N/A	IN 16	PLIANT SOLUTIONS CORPORATION
Canada	WEARLON	REGISTERED	444,319	23JE1995	742,881	08DE1993	23JE2010	IN 1	PLIANT SOLUTIONS CORPORATION

**CANADA - UNIPLAST INDUSTRIES CO.**

Country	Trademark	Sub Status	Curr Reg No	Reg Dt	Curr App No	App Dt	Expires	CL & NO	Current OWNER
Canada	BRYTECT	REGISTERED	TMA366,337	02MR1990	627,785	17MR 1989	20MR2005	IN 16	UNIPLAST INDUSTRIES CO.
Canada	UNIPLAST	REGISTERED	491,154	10MR1998	819,340	30JL1996	10MR2013	IN 16	UNIPLAST INDUSTRIES CO.
Canada	UNIPLAST FILMS AND DESIGN	REGISTERED	579,648	16AP2003	1,057,665	08JE2000	16AP2018	IN 16	UNIPLAST INDUSTRIES CO.

## Schedule VI to the Security Agreement

### Commercial Tort Claims

1. *Pliant Corporation v. Illinois Tool Works Inc., et al.* (IP 02-0855 C H / K), United States District Court for the Southern District of Indiana, Indianapolis Division. Patent infringement claim.
2. *Pliant Corporation v. Iso Poly Films, Inc.* (6-01-4554-25), United States District Court for the District of South Carolina, Greenville Division. Patent infringement claim
3. *S.C. Johnson & Son, Inc. and S.C. Johnson Home Storage, Inc. v. Pliant Corporation* (01-CV-10343-BC), United States District Court for the Eastern District of Michigan, Northern Division. Counterclaim for unlicensed use of proprietary technology

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\*no representation is made as to collectability or recoverability of such claims.