

Form PTO-1594 (Rev. 07/05)  
OMB Collection 0651-0027 (exp. 6/30/2008)

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

## RECORDATION FORM COVER SHEET TRADEMARKS ONLY

To the Director of the U. S. Patent and Trademark Office: Please record the attached documents or the new address(es) below.

### 1. Name of conveying party(ies):

South Coast Auto Insurance Marketing, Inc.

- ☐ Individual(s)      ☐ Association  
☐ General Partnership      ☐ Limited Partnership  
☒ Corporation- State: California  
☐ Other \_\_\_\_\_

Citizenship (see guidelines) \_\_\_\_\_

Additional names of conveying parties attached? ☒ Yes ☐ No

### 3. Nature of conveyance )/Execution Date(s) :

Execution Date(s) August 18, 2006

- ☐ Assignment      ☐ Merger  
☐ Security Agreement      ☐ Change of Name  
☒ Other Pledge and Security Agreement

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

Additional names, addresses, or citizenship attached? ☐ Yes ☒ No

Name: Guggenheim Corporate Funding, LLC

Internal

Address: c/o Guggenheim Partners, LLC

Street Address: 135 East 57th Street

City: New York

State: NY

Country: USA Zip: 10022

- ☐ Association      Citizenship \_\_\_\_\_  
☐ General Partnership      Citizenship \_\_\_\_\_  
☐ Limited Partnership      Citizenship \_\_\_\_\_  
☐ Corporation      Citizenship \_\_\_\_\_  
☒ Other LLC      Citizenship Delaware

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)

### 4. Application number(s) or registration number(s) and identification or description of the Trademark.

A. Trademark Application No.(s)

B. Trademark Registration No.(s)

2,175,005; 3,098,153; 2,375,639

Additional sheet(s) attached? ☐ Yes ☒ No

C. Identification or Description of Trademark(s) (and Filing Date if Application or Registration Number is unknown):

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

Name: Mandie Smolich, Legal Assistant

Internal Address: \_\_\_\_\_

Street Address: 555 West Fifth Street, 40th Floor

City: Los Angeles

State: CA Zip: 90013

Phone Number: 213.896.6147

Fax Number: 213.896.6600

Email Address: rsmolich@sidley.com

### 6. Total number of applications and registrations involved:

3

### 7. Total fee (37 CFR 2.6(b)(6) & 3.41) \$ 90

- ☐ Authorized to be charged by credit card  
☒ Authorized to be charged to deposit account  
☐ Enclosed

### 8. Payment Information:

a. Credit Card      Last 4 Numbers \_\_\_\_\_  
Expiration Date \_\_\_\_\_

b. Deposit Account Number 501597

Authorized User Name Mandie Smolich

### 9. Signature:

Maudie Smolich

Signature

August 18, 2006

Date

Mandie Smolich

Name of Person Signing

Total number of pages including cover sheet, attachments, and document: 39

Documents to be recorded (including cover sheet) should be faxed to (571) 273-0140, or mailed to:  
Mail Stop Assignment Recordation Services, Director of the USPTO, P.O. Box 1450, Alexandria, VA 22313-1450

CH \$90.00 501597 2175005

Attachment to Trademark Recordation Form Cover Sheet

**Item 1: Names of Conveying Parties (continued)**

Westline Corporation, a California corporation

South Coast Dealer Services, Inc., a California corporation

InsureNow Insurance Services, Inc., a California corporation

Solo Insurance Services, Inc., a California corporation

SpotCoverage Insurance Services, Inc., a California corporation

EXECUTION VERSION

**PLEDGE AND SECURITY AGREEMENT**

THIS PLEDGE AND SECURITY AGREEMENT (this "Security Agreement") is entered into as of August 18, 2006, by and among WESTLINE CORPORATION, a California corporation (the "Borrower"), SOUTHCOAST DEALER SERVICES, INC., a California corporation ("SCDS"), the Subsidiaries of the Borrower identified on the signature pages hereto (the "Initial Subsidiary Grantors"), and any additional Subsidiaries of the Borrower, whether now existing or hereafter formed which become parties to this Security Agreement by executing a Supplement hereto (a "Security Agreement Supplement") in substantially the form of Annex I (such additional Subsidiaries, together with the Borrower, SCDS and the Initial Subsidiary Grantors, the "Grantors"), in favor of GUGGENHEIM CORPORATE FUNDING, LLC, as Administrative Agent (the "Administrative Agent"), for the benefit of the Holders of Obligations under the Credit Agreement defined below.

**PRELIMINARY STATEMENT**

WHEREAS, the Borrower, SCDS, the financial institutions party thereto from time to time as lenders (collectively, the "Lenders"), and the Administrative Agent have entered into that certain Credit Agreement of even date herewith (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), which Credit Agreement provides, subject to the terms and conditions thereof, for extensions of credit and other financial accommodations by the Lenders to or for the benefit of the Borrower;

WHEREAS, the Grantors (other than the Borrower) have guaranteed the repayment of the Obligations pursuant to that certain Guaranty of even date herewith (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "Guaranty");

WHEREAS, each Grantor has agreed to grant a security interest in substantially all of its personal property and to pledge its capital stock, membership interests or partnership interests in certain of its Subsidiaries to the Administrative Agent, for the benefit of the Holders of Obligations, as security for the Westline Obligations (as defined below); and

WHEREAS, the Administrative Agent and the Lenders have required, as a condition, among others, to the effectiveness of the Credit Agreement and the other Loan Documents, that each Grantor execute and deliver this Security Agreement;

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

**ARTICLE I****DEFINITIONS**

1.1. Terms Defined in Credit Agreement. All capitalized terms used herein and not otherwise defined shall have the meanings assigned to such terms in the Credit Agreement.

WESTLINE PLEDGE &amp; SECURITY AGREEMENT

LA1 800634

**TRADEMARK**  
**REEL: 003374 FRAME: 0061**

1.2. Terms Defined in New York UCC. Terms defined in the New York UCC which are not otherwise defined in this Security Agreement are used herein as defined in the New York UCC.

1.3. Definitions of Certain Terms Used Herein. As used in this Security Agreement, the following terms shall have the following meanings:

“Accounts” shall have the meaning set forth in Article 9 of the New York UCC.

“Article” means a numbered article of this Security Agreement, unless another document is specifically referenced.

“Chattel Paper” shall have the meaning set forth in Article 9 of the New York UCC.

“Collateral” means all Accounts (including all commissions), Chattel Paper, Commercial Tort Claims, Documents, Equipment, Goods, General Intangibles, Instruments, Inventory, Investment Property, Pledged Deposits, Supporting Obligations and Other Collateral, wherever located, in which any Grantor now has or hereafter acquires any right or interest, and the proceeds (including Stock Rights), insurance proceeds and products thereof, together with all books and records, customer lists, credit files, computer files, programs, printouts and other computer materials and records related thereto. Notwithstanding anything to the contrary contained in this definition, Collateral shall not include (i) Accounts, Chattel Paper, Documents, General Intangibles, Instruments or other contractual rights to the extent and for so long as the grant of a security interest herein would violate the terms of the agreement under which such Account, General Intangible or contractual rights arise or exist, or under such Chattel Paper, Document or Instrument, in each case to the extent such prohibition is enforceable under applicable law, (ii) rights under governmental licenses and authorizations to the extent and for so long as the grant of a security interest therein is prohibited by law, (iii) the Premium Trust Accounts, (iv) any intent-to-use trademark or service mark application prior to the filing of a statement of use or amendment to allege use, or any other intellectual property, to the extent that applicable law or regulation prohibits the creation of a security interest or would otherwise result in the loss of rights from the creation of such security interest or from the assignment of such rights upon the occurrence and continuance of an Event of Default, and (v) Equipment that is subject to a Lien securing a purchase money obligation or capital lease obligation permitted to be incurred pursuant to the provisions of the Credit Agreement if the contract or other agreement in which such Lien is granted (or the documentation providing for such purchase money obligation or capital lease obligation) validly prohibits the creation of any other Lien on such Equipment.

“Commercial Tort Claims” means the commercial tort claims, as defined in the New York UCC, of any Grantor, including each commercial tort claim specifically described in Exhibit E.

“Control” shall have the meaning set forth in Article 8 or, if applicable, in Section 9-104, 9-105, 9-106 or 9-107 of Article 9 of the New York UCC.

“Deposit Accounts” shall have the meaning set forth in Article 9 of the New York UCC.

“Documents” shall have the meaning set forth in Article 9 of the New York UCC.

“Equipment” shall have the meaning set forth in Article 9 of the New York UCC.

“Exhibit” refers to a specific exhibit to this Security Agreement, unless another document is specifically referenced.

“General Intangibles” shall have the meaning set forth in Article 9 of the New York UCC.

“Goods” shall have the meaning set forth in Article 9 of the New York UCC.

“Instruments” shall have the meaning set forth in Article 9 of the New York UCC.

“Inventory” shall have the meaning set forth in Article 9 of the New York UCC.

“Investment Property” shall have the meaning set forth in Article 9 of the New York UCC.

“New York UCC” means the New York Uniform Commercial Code as in effect from time to time.

“Other Collateral” means any personal property of the Grantors not included within the defined terms Accounts, Chattel Paper, Commercial Tort Claims, Documents, Equipment, General Intangibles, Instruments, Inventory, Investment Property and Pledged Deposits, including, without limitation, all cash on hand, letter-of-credit rights, letters of credit, Stock Rights and Deposit Accounts or other deposits (general or special, time or demand, provisional or final) with any bank or other financial institution, it being intended that the Collateral include all personal property of the Grantors.

“Pledged Collateral” means, with respect to each Grantor, all right, title and interest of such Grantor in, to and under the Collateral and other assets pledged to the Administrative Agent, for the benefit of the Holders of Obligations, hereunder.

“Pledged Deposits” means all time deposits of money (other than Deposit Accounts and Instruments), whether or not evidenced by certificates, which a Grantor may from time to time designate as pledged to the Administrative Agent or to any Holder of Obligations as security for any Westline Obligations, and all rights to receive interest on said deposits.

“Receivables” means the Accounts, Chattel Paper, Documents, Investment Property, Instruments or Pledged Deposits, and any other rights or claims to receive money which are General Intangibles or which are otherwise included as Collateral.

“Section” means a numbered section of this Security Agreement, unless another document is specifically referenced.

“Security” has the meaning set forth in Article 8 of the New York UCC.

“Stock Rights” means any securities, dividends or other distributions and any other right or property which any Grantor shall receive or shall become entitled to receive for any reason

whatsoever with respect to, in substitution for or in exchange for any securities or other ownership interests in a corporation, partnership, joint venture or limited liability company constituting Pledged Collateral and any securities, any right to receive securities and any right to receive earnings, in which any Grantor now has or hereafter acquires any right, issued by an issuer of such securities.

"Supporting Obligation" shall have the meaning set forth in Article 9 of the New York UCC.

"Westline Obligations" means, with respect to the Borrower, the Obligations and, with respect to each other Grantor, such Grantor's obligations under the Guaranty including, without limitation, the "Guaranteed Obligations" under and as defined therein.

The foregoing definitions shall be equally applicable to both the singular and plural forms of the defined terms.

## ARTICLE II

### GRANT OF SECURITY INTEREST

2.1. Grantor Pledge. Each of the Grantors hereby pledges, assigns and grants to the Administrative Agent, on behalf of and for the ratable benefit of the Holders of Obligations and (to the extent specifically provided herein) their Affiliates, a security interest in all of such Grantor's right, title and interest, whether now owned or hereafter acquired, in and to the Collateral to secure the prompt and complete payment and performance of the Westline Obligations. For the avoidance of doubt, the grant of a security interest herein shall not be deemed to be an assignment of intellectual property rights owned by the Grantors.

## ARTICLE III

### REPRESENTATIONS AND WARRANTIES

Each Grantor represents and warrants to the Administrative Agent and the Holders of Obligations, and each Grantor that becomes a party to this Security Agreement pursuant to the execution of a Security Agreement Supplement in substantially the form of Annex I represents and warrants (after giving effect to supplements to each of the Exhibits hereto with respect to such subsequent Grantor as attached to such Security Agreement Supplement), that:

3.1. Title, Authorization, Validity and Enforceability. Each such Grantor has good and valid rights in or the power to transfer (and with respect to intellectual property rights, grant a security interest in) the Pledged Collateral owned by it and title to the Pledged Collateral with respect to which it has purported to grant a security interest hereunder, free and clear of all Liens except for Liens permitted under Section 4.1.6 hereof, and has full corporate, limited liability company or partnership, as applicable, power and authority to grant to the Administrative Agent the security interest in such Pledged Collateral pursuant hereto. The execution and delivery by each such Grantor of this Security Agreement has been duly authorized by proper corporate, limited liability company or partnership, as applicable, proceedings, and this Security Agreement constitutes a legal, valid and binding obligation of each such Grantor and creates a Lien which is

valid and enforceable against each such Grantor in all Pledged Collateral it now owns or hereafter acquires, except as enforceability may be limited by (i) bankruptcy, insolvency, fraudulent conveyance, reorganization or similar laws relating to or affecting the enforcement of creditors' rights generally, (ii) general equitable principles (whether considered in a proceeding in equity or at law), and (iii) requirements of reasonableness, good faith and fair dealing. When financing statements have been filed in the appropriate offices against each Grantor in the locations listed on Exhibit D, and filing made in the appropriate filing offices for intellectual property, the Administrative Agent will have a fully perfected first priority security interest in the Pledged Collateral owned by such Grantor in which a security interest may be perfected by filing, subject only to Liens permitted under Section 4.1.6 hereof.

3.2. Conflicting Laws and Contracts. Neither the execution and delivery by each Grantor of this Security Agreement, the creation and perfection of the security interest in the Pledged Collateral granted hereunder, nor compliance with the terms and provisions hereof will violate (i) any law, rule, regulation, order, writ, judgment, injunction, decree or award binding on such Grantor, or (ii) such Grantor's charter, bylaws or other organizational or constitutional documents, or (iii) the provisions of any indenture, instrument or agreement to which such Grantor is a party or is subject, or by which it, or its property may be bound or affected, or conflict with or constitute a default thereunder, or result in or require the creation or imposition of any Lien in, of or on the property of such Grantor pursuant to the terms of any such indenture, instrument or agreement (other than any Lien of the Administrative Agent on behalf of the Holders of Obligations).

3.3. Principal Location. Each Grantor's mailing address and the location of its chief place of business (if it has only one) or its chief executive office (if it has more than one place of business), is disclosed in Exhibit A.

3.4. Property Locations. The Inventory and Equipment of each Grantor are located solely at the locations of such Grantor described in Exhibit A. All of said locations are located in the United States of America and are owned by such Grantor except for locations (i) which are leased by such Grantor as lessee and designated in Part B of Exhibit A or (ii) at which Inventory is held in a public warehouse or is otherwise held by a bailee or on consignment by such Grantor as designated in Part C of Exhibit A, with respect to which Inventory, such Grantor, after the occurrence and during the continuance of a Default, and at the Administrative Agent's request, shall deliver bailment agreements, warehouse receipts, financing statements or other documents satisfactory to the Administrative Agent to protect the Administrative Agent's and the Holders of Obligations' interests in such Inventory.

3.5. No Other Names. Except as set forth on Exhibit A, no Grantor has conducted business under any name in the past five (5) years except the name in which it has executed this Security Agreement, which is the exact name as it appears in such Grantor's organizational documents, as amended, as filed with such Grantor's jurisdiction of organization as of the Effective Date.

3.6. Accounts and Chattel Paper. The names of the obligors, amounts owing, due dates and other information with respect to the Accounts and Chattel Paper owned by each Grantor are and will be correctly stated in all records of such Grantor relating thereto and in all invoices and

reports with respect thereto furnished to the Administrative Agent by such Grantor from time to time. As of the time when each Account or each item of Chattel Paper arises, such Grantor shall be deemed to have represented and warranted that such Account or Chattel Paper, as the case may be, and all records relating thereto, are genuine and true and correct in all material respects.

3.7. Filing Requirements. None of the Equipment owned by any Grantor is covered by any certificate of title, except for its vehicles. None of the Pledged Collateral owned by such Grantor is of a type for which security interests or liens may be perfected by filing under any federal statute except for (i) its vehicles and (ii) the patents, trademarks and copyrights held by such Grantor and described in Exhibit B.

3.8. No Financing Statements. No financing statement describing all or any portion of the Pledged Collateral which has not lapsed or been terminated naming any Grantor as debtor has been filed in any jurisdiction except financing statements (i) naming the Administrative Agent on behalf of the Holders of Obligations as the secured party, and (ii) in respect of Liens permitted by Section 6.02 of the Credit Agreement; provided, that nothing herein shall be deemed to constitute an agreement to subordinate any of the Liens of the Administrative Agent under the Loan Documents to any Liens otherwise permitted under Section 6.02 of the Credit Agreement.

3.9. Federal Employer Identification Number; Jurisdiction of Organization Number; Jurisdiction of Organization. Each Grantor's federal employer identification number is, and if such Grantor is a registered organization, such Grantor's jurisdiction of organization, type of organization and jurisdiction of organization identification number is, as listed on Exhibit F.

3.10. Pledged Securities and Other Investment Property. Exhibit C sets forth a complete and accurate list of the Instruments, Securities and other Investment Property delivered to the Administrative Agent. Each Grantor is the direct and beneficial owner of each Instrument, Security and other type of Investment Property listed on Exhibit C as being owned by it, free and clear of any Liens, except for the security interest granted to the Administrative Agent for the benefit of the Holders of Obligations hereunder or as permitted by Section 6.02 of the Credit Agreement. Each Grantor further represents and warrants that (i) all such Instruments, Securities or other types of Investment Property which are shares of stock in a corporation or ownership interests in a partnership or limited liability company have been (to the extent such concepts are relevant with respect to such Instrument, Security or other type of Investment Property) duly and validly issued, are fully paid and non-assessable and constitute the percentage of the issued and outstanding shares of stock (or other equity interests) of the respective issuers thereof indicated on Exhibit C hereto and (ii) with respect to any certificates delivered to the Administrative Agent representing an ownership interest in a partnership or limited liability company, either such certificates are Securities as defined in Article 8 of the New York UCC of the applicable jurisdiction as a result of actions by the issuer or otherwise, or, if such certificates are not Securities, such Grantor has so informed the Administrative Agent so that the Administrative Agent may take steps to perfect its security interest therein as a General Intangible.



## ARTICLE IV

## COVENANTS

From the date of this Security Agreement and thereafter until this Security Agreement is terminated pursuant to the terms hereof, each Grantor party hereto as of the date hereof agrees, and from and after the effective date of any Security Agreement Supplement in substantially the form of Annex I applicable to any Grantor (and after giving effect to supplements to each of the Exhibits hereto with respect to such subsequent Grantor as attached to such Security Agreement Supplement) and thereafter until this Security Agreement is terminated pursuant to the terms hereof, each such subsequent Grantor agrees that:

4.1. General.

4.1.1 Inspection. Each Grantor will permit any representatives designated by the Administrative Agent or any Holder of Obligations, upon reasonable prior notice, at the sole cost of such Grantor, (i) to visit and inspect any of its property, including, without limitation, its respective Pledged Collateral, (ii) to examine and make extracts from the books and records of such Grantor relating to its respective Pledged Collateral and (iii) to discuss such Grantor's respective Pledged Collateral, affairs, finances and condition with its officers and independent accountants, all at such reasonable times and as often as reasonably requested; provided, however, unless an Event of Default has occurred and is continuing, the Grantors shall only be obligated to pay for the costs and expenses of a total for all Grantors of two (2) such visits in any fiscal year. In the absence of an Event of Default, the Administrative Agent or any Holder of Obligations exercising any rights pursuant to this Section 4.1.1 shall give the applicable Grantor commercially reasonable prior written notice of such exercise. No notice shall be required during the existence and continuance of any Default or Event of Default. Any information obtained pursuant to this Section shall be deemed to be "Information" (as defined in Section 9.12 of the Credit Agreement) and subject to Section 9.12 of the Credit Agreement.

4.1.2 Taxes. Each Grantor will pay when due all taxes, assessments and governmental charges and levies upon the Pledged Collateral owned by such Grantor, as applicable, except (i) those which are being contested in good faith by appropriate proceedings and with respect to which adequate reserves have been set aside in accordance with GAAP and with respect to which no Lien exists, and (ii) those which by reason of the amount involved or the remedies available to the taxing authority could not reasonably be expected to have a Material Adverse Effect.

4.1.3 Records and Reports; Notification of Default. Each Grantor shall (i) keep and maintain complete, accurate and proper books and records with respect to the Pledged Collateral owned by such Grantor and furnish to the Administrative Agent, with sufficient copies for each of the Holders of Obligations, such reports relating to its respective Pledged Collateral as the Administrative Agent shall from time to time reasonably request and (ii) give prompt notice in writing to the Administrative Agent of the occurrence of any Default and of any other development, financial or otherwise,

which could reasonably be expected to materially and adversely affect its respective Pledged Collateral.

4.1.4 Financing Statements and Other Actions; Defense of Title. Each Grantor hereby authorizes the Administrative Agent to file, and if requested by the Administrative Agent will execute and deliver to the Administrative Agent, all financing statements describing the Pledged Collateral owned by such Grantor and other documents and take such other actions as may from time to time reasonably be requested by the Administrative Agent in order to maintain a first priority perfected security interest in and, if applicable, Control of, the Pledged Collateral owned by such Grantor, subject to Liens permitted under Section 6.02 of the Credit Agreement and any financing statements filed in connection therewith, provided that nothing herein shall be deemed to constitute an agreement to subordinate any of the Liens of the Administrative Agent under the Loan Documents to any Liens otherwise permitted under Section 6.02 of the Credit Agreement. Such financing statements may describe the Pledged Collateral in the same manner as described herein or may contain an indication or description of collateral that describes such property in any other manner as the Administrative Agent may determine, in its sole discretion, is necessary, advisable or prudent to ensure that the perfection of the security interest in the Pledged Collateral granted to the Administrative Agent herein, including, without limitation, describing, with respect to any Grantor's financing statement, such property as "all assets" or "all personal property, whether now owned or hereafter acquired." Each Grantor will take any and all actions necessary to defend title to the Pledged Collateral owned by such Grantor against all persons and to defend the security interest of the Administrative Agent in such Pledged Collateral and the priority thereof against any Lien not expressly permitted hereunder or by the Credit Agreement.

4.1.5 Disposition of Collateral. No Grantor will sell, lease or otherwise dispose of the Pledged Collateral owned by such Grantor except (i) prior to the occurrence of a Default, dispositions specifically permitted pursuant to Section 6.10 of the Credit Agreement, and (ii) until such time as such Grantor receives a notice from the Administrative Agent pursuant to Article VII, proceeds of Inventory and Accounts collected in the ordinary course of business.

4.1.6 Liens. No Grantor will create, incur, or suffer to exist any Lien on the Pledged Collateral owned by such Grantor except Liens permitted pursuant to Section 6.02 of the Credit Agreement, provided, that nothing herein shall be deemed to constitute an agreement to subordinate any of the Liens of the Administrative Agent under the Loan Documents to any Liens otherwise permitted under Section 6.02 of the Credit Agreement.

4.1.7 Change in Corporate Existence, Type or Jurisdiction of Organization, Location, Name. Except as otherwise permitted in the Credit Agreement, each Grantor will:

- (i) preserve its existence and corporate structure as in effect on the Effective Date, or, with respect to Grantors that become subject hereto pursuant to an Annex I hereto, the date of such Annex I hereto;

- (ii) not change its jurisdiction of organization;
- (iii) not maintain its place of business (if it has only one) or its chief executive office (if it has more than one place of business) at a location other than a location specified on Exhibit A; and
- (iv) not (i) solely with respect to the Grantors, have any Inventory or Equipment or proceeds or products thereof (other than Inventory and proceeds thereof disposed of as permitted by Section 4.1.5) at a location other than a location specified in Exhibit A, (ii) change its name or taxpayer identification number or (iii) change its mailing address,

unless, in each such case, such Grantor shall have given the Administrative Agent not less than 30 days' prior written notice of such event or occurrence and the Administrative Agent shall, in its reasonable discretion, have either (x) determined that such event or occurrence will not adversely affect the validity, perfection or priority of the Administrative Agent's security interest in the Pledged Collateral, or (y) taken such steps (with the cooperation of such Grantor to the extent necessary or advisable) as are necessary or advisable to properly maintain the validity, perfection and priority of the Administrative Agent's security interest in the Pledged Collateral owned by such Grantor.

4.1.8 Other Financing Statements. No Grantor will suffer to exist or authorize the filing of any financing statement naming it as debtor covering all or any portion of the Pledged Collateral owned by such Grantor, except any financing statement authorized under Section 4.1.4 hereof.

#### 4.2. Receivables.

4.2.1 Certain Agreements on Receivables. During the occurrence and continuation of a Default, Grantors may continue to make or agree to make any discount, credit, rebate or other reduction in the original amount owing on a Receivable or accept in satisfaction of a Receivable less than the original amount thereof until the Administrative Agent gives the Borrower notice that such discounts, credits, rebates and other reductions shall no longer be permitted to be made or agreed to be made by any Grantor. Prior to the occurrence and continuation of a Default, Grantors may reduce the amount of Accounts arising from the sale of Inventory or the rendering of services in accordance with their respective present policies and in the ordinary course of business and as otherwise permitted under the Credit Agreement.

4.2.2 Collection of Receivables. Except as otherwise provided in this Security Agreement, each Grantor will collect and enforce, at such Grantor's sole expense, all amounts due or hereafter due to such Grantor under the Receivables owned by such Grantor in accordance with its present policies and in the ordinary course of business and as otherwise permitted under the Credit Agreement.

4.2.3 Delivery of Invoices. Each Grantor will deliver to the Administrative Agent promptly upon its request after the occurrence and during the continuance of an Event of

Default duplicate invoices with respect to each Account owned by such Grantor bearing such language of assignment as the Administrative Agent shall specify.

4.2.4 Disclosure of Counterclaims on Receivables. If (i) any discount, credit or agreement to make a rebate or to otherwise reduce the amount owing on a Receivable owned by such Grantor exists or (ii) to the knowledge of such Grantor, any dispute, setoff, claim, counterclaim or defense exists or has been asserted or threatened with respect to a Receivable, such Grantor will disclose such fact to the Administrative Agent in writing in connection with the inspection by the Administrative Agent of any record of such Grantor relating to such Receivable and in connection with any invoice or report furnished by such Grantor to the Administrative Agent relating to such Receivable.

4.3. Inventory and Equipment.

4.3.1 Maintenance of Goods. Each Grantor will do all things necessary to maintain, preserve, protect and keep the Inventory and the Equipment owned by such Grantor in good repair, working order and saleable condition (ordinary wear and tear excepted) and make all necessary repairs, renewals and replacements so that its business carried on in connection therewith may be properly conducted at all times, except where the failure to do so, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect.

4.3.2 Titled Vehicles. During the continuance of an Event of Default and upon request of the Administrative Agent, each Grantor will give the Administrative Agent a list of all vehicles covered by a certificate of title and will deliver to the Administrative Agent the original of any vehicle title certificate and do all things necessary to have the Lien of the Administrative Agent noted on any such certificate.

4.4. Chattel Paper, Documents and Pledged Deposits. Each Grantor will (i) deliver to the Administrative Agent immediately upon execution of this Security Agreement the originals of all Chattel Paper constituting Pledged Collateral (if any then exist), (ii) hold in trust for the Administrative Agent upon receipt and immediately thereafter deliver to the Administrative Agent any Chattel Paper constituting Pledged Collateral, (iii) upon the designation of any Pledged Deposits (as set forth in the definition thereof), deliver to the Administrative Agent such Pledged Deposits which are evidenced by certificates included in the Pledged Collateral endorsed in blank, marked with such legends and assigned as the Administrative Agent shall specify, and (iv) upon the Administrative Agent's request, after the occurrence and during the continuance of an Event of Default, deliver to the Administrative Agent (and thereafter hold in trust for the Administrative Agent upon receipt and immediately deliver to the Administrative Agent) any Document evidencing or constituting Pledged Collateral.

4.5. Securities and Instruments. Each Grantor will (i) deliver to the Administrative Agent promptly upon execution of this Security Agreement the originals of all Securities and Instruments constituting Pledged Collateral (if any then exist) and (ii) hold in trust for the Administrative Agent upon receipt and immediately thereafter deliver to the Administrative Agent any Securities and Instruments constituting Pledged Collateral.

4.6. Uncertificated Securities and Certain Other Investment Property. Each Grantor will permit the Administrative Agent from time to time to cause the appropriate issuers (and, if held with a securities intermediary, such securities intermediary) of uncertificated securities or other types of Investment Property not represented by certificates which are Pledged Collateral owned by such Grantor to mark their books and records with the numbers and face amounts of all such uncertificated securities or other types of Investment Property not represented by certificates and all rollovers and replacements therefor to reflect the Lien of the Administrative Agent granted pursuant to this Security Agreement. Each Grantor will use all commercially reasonable efforts, with respect to Investment Property constituting Pledged Collateral owned by such Grantor held with a financial intermediary, to cause such financial intermediary to enter into a control agreement with the Administrative Agent in form and substance reasonably satisfactory to the Administrative Agent.

4.7. Stock and Other Ownership Interests.

4.7.1 Changes in Capital Structure of Issuers. Except as permitted in the Credit Agreement, no Grantor will (i) permit or suffer any issuer of privately held corporate securities or other ownership interests in a corporation, partnership, joint venture or limited liability company constituting Pledged Collateral owned by such Grantor to dissolve, liquidate, retire any of its capital stock or other Instruments or Securities evidencing ownership, reduce its capital or merge or consolidate with any other entity, or (ii) vote any of the Instruments, Securities or other Investment Property in favor of any of the foregoing except to the extent permitted under the Credit Agreement.

4.7.2 Issuance of Additional Securities. Except as permitted in the Credit Agreement, no Grantor will permit the issuer of privately held corporate securities or other ownership interests in a corporation, partnership, joint venture or limited liability company constituting Pledged Collateral to issue any such securities or other ownership interests, any right to receive the same or any right to receive earnings, except to such Grantor.

4.7.3 Registration of Pledged Securities and other Investment Property. Each Grantor will permit any registerable Pledged Collateral owned by such Grantor to be registered in the name of the Administrative Agent or its nominee at any time at the option of the Required Lenders following the occurrence and during the continuance of a Default and without any further consent of such Grantor; provided, however, that any intellectual property rights of the Grantors that constitute Pledged Collateral cannot be registered in the name of the Administrative Agent following the occurrence and continuance of a Default unless the Administrative Agent is otherwise enforcing its security interest in, or foreclosing on, the Pledged Collateral pursuant to the terms of this Security Agreement.

4.7.4 Exercise of Rights in Pledged Securities and other Investment Property. Each Grantor will permit the Administrative Agent or its nominee at any time after the occurrence and continuance of an Event of Default, without notice, to exercise or refrain from exercising any and all voting and other consensual rights pertaining to the Pledged Collateral owned by such Grantor or any part thereof, and to receive all dividends and

interest in respect of such Pledged Collateral. Unless and until a Default shall have occurred and be continuing, (i) each Grantor shall be entitled to exercise all voting and other consensual rights pertaining to the Pledged Collateral for any purpose consistent with the terms of this Agreement, the Credit Agreement and the other Loan Documents; provided, however, that no Grantor will be entitled to exercise any such right if the result thereof could materially and adversely affect the rights and remedies of the Administrative Agent or Holders of Obligations under this Agreement or the Credit Agreement or any other Loan Document or the ability to exercise the same, and (ii) each Grantor shall be entitled to receive and retain all dividends or interest in respect of such Pledged Collateral to the extent and only to the extent that such dividends or interest are not prohibited by the terms and conditions of the Credit Agreement, the other Loan Documents and applicable laws; other than any dividends or interest resulting from a subdivision, combination or reclassification or received in exchange for Pledged Collateral, or in redemption thereof, or as a result of any merger, consolidation, acquisition or other exchange of assets.

4.8. Deposit Accounts. Each Grantor will (i) upon the Administrative Agent's request, cause each bank or other financial institution in which it maintains (a) a Deposit Account (other than a Premium Trust Account) to enter into a control agreement with the Administrative Agent, in form and substance satisfactory to the Administrative Agent in order to give the Administrative Agent Control of such Deposit Account to the extent it does not already possess such Control or to further evidence such Control (it being understood and agreed, the Administrative Agent will not exercise any right to exclude Grantor from giving instructions with respect to such Deposit Account or amounts on deposit therein unless an Event of Default shall have occurred and be continuing), or (b) other deposits (general or special, time or demand, provisional or final) to be notified of the security interest granted to the Administrative Agent hereunder and cause each such bank or other financial institution to acknowledge such notification in writing and (ii) upon the Administrative Agent's request after the occurrence and during the continuance of an Event of Default, deliver to each such bank or other financial institution a letter, in form and substance acceptable to the Administrative Agent, transferring ownership of such Deposit Account to the Administrative Agent or transferring dominion and control over each such other deposit to the Administrative Agent until such time as no Default exists; provided, that unless Grantor is required to deliver a control agreement with respect to any deposit accounts maintained with Bank of America pursuant to Section 5.14 of the Credit Agreement, then for so long as such Grantor sweeps on each Business Day all amounts on deposit in such deposit accounts maintained with Bank of America to deposit accounts that are subject to a control agreement as described above, then Grantor shall not be required to subject such deposit accounts maintained at Bank of America to a control agreement as required above. In the case of deposits maintained with Lenders, the terms of such letter shall be subject to the provisions of the Credit Agreement regarding setoffs.

4.9. Letter-of-Credit Rights. Each Grantor will, upon the Administrative Agent's request, cause each issuer of a letter of credit, to consent to the assignment of proceeds of the letter of credit in order to give the Administrative Agent Control of the letter-of-credit rights to such letter of credit.

4.10. Intellectual Property. If, after the date hereof, any Grantor acquires ownership of, or applies for or seeks registration of, any new patent, trademark or copyright in addition to the patents, trademarks and copyrights described in Exhibit B, which are all of such Grantor's patents, trademarks and copyrights as of the Effective Date, then such Grantor shall give the Administrative Agent notice of such newly acquired or registered patent, trademark or copyright, as part of each compliance certificate provided to the Administrative Agent pursuant to the Credit Agreement. Each Grantor agrees promptly upon request by the Administrative Agent to execute and deliver to the Administrative Agent any supplement to this Security Agreement or any other document reasonably requested by the Administrative Agent to evidence a security interest in such intellectual property in a form appropriate for recording in the applicable federal office. Each Grantor also hereby authorizes the Administrative Agent to modify this Security Agreement unilaterally (i) by amending Exhibit B to include any future patents, trademarks and/or copyrights of which the Administrative Agent receives notification from such Grantor pursuant hereto and (ii) by recording, in addition to and not in substitution for this Security Agreement, a duplicate original of this Security Agreement containing in Exhibit B a description of such future patents, trademarks and/or copyrights.

4.11. Commercial Tort Claims. If, after the date hereof, any Grantor identifies the existence of a commercial tort claim, pursuant to which such Grantor reasonably expects to recover in excess of \$1,000,000, belonging to such Grantor that has arisen in the course of such Grantor's business in addition to the commercial tort claims described in Exhibit E, which are all of such Grantor's commercial tort claims as of the Effective Date, then such Grantor shall give the Administrative Agent prompt notice thereof, but in any event not less frequently than quarterly. Each Grantor agrees promptly upon written request by the Administrative Agent to execute and deliver to the Administrative Agent any supplement to this Security Agreement or any other document reasonably requested by the Administrative Agent to evidence the grant of a security interest therein in favor of the Administrative Agent.

## ARTICLE V

### REMEDIES

5.1. Acceleration and Remedies. Upon the acceleration of the Obligations under the Credit Agreement pursuant to Article VII thereof, all of the Westline Obligations shall immediately become due and payable without presentment, demand, protest or notice of any kind, all of which are hereby expressly waived, and the Administrative Agent may, with the concurrence or at the direction of the Required Lenders, exercise any or all of the following rights and remedies:

5.1.1 Those rights and remedies provided in this Security Agreement, the Credit Agreement, or any other Loan Document, provided that this Section 5.1.1 shall not be understood to limit any rights or remedies available to the Administrative Agent and the Holders of Obligations prior to a Default.

5.1.2 Those rights and remedies available to a secured party under the New York UCC (whether or not the New York UCC applies to the affected Pledged Collateral) or under any other applicable law (including, without limitation, any law governing the

exercise of a bank's right of setoff or bankers' lien) when a debtor is in default under a security agreement.

5.1.3 Without notice except as specifically provided in Section 8.1 hereof or elsewhere herein, sell, lease, assign, grant an option or options to purchase or otherwise dispose of the Pledged Collateral or any part thereof in one or more parcels at public or private sale, for cash, on credit or for future delivery, and upon such other terms as the Administrative Agent may deem commercially reasonable.

The Administrative Agent, on behalf of the Holders of Obligations, may comply with any applicable state or federal law requirements in connection with a disposition of the Pledged Collateral, and such compliance will not be considered to adversely affect the commercial reasonableness of any sale of the Pledged Collateral.

5.2. Grantors' Obligations Upon Default. Upon the written request of the Administrative Agent after the occurrence and during the continuance of an Event of Default, each Grantor will:

5.2.1 Assembly of Pledged Collateral. Assemble and make available to the Administrative Agent its respective Pledged Collateral and all records relating thereto at any place or places specified by the Administrative Agent.

5.2.2 Secured Party Access. Permit the Administrative Agent, by the Administrative Agent's representatives and agents, to enter any premises where all or any part of its respective Pledged Collateral, or the books and records relating thereto, or both, are located, to take possession of all or any part of the Pledged Collateral and to remove all or any part of the Pledged Collateral.

5.3. License. The Administrative Agent is hereby granted a license or other right to use, exercisable only following the occurrence and during the continuance of an Event of Default, without charge, each Grantor's labels, patents, copyrights, rights of use (to the extent such Grantor has a right to grant such a license) of any name, trade secrets, trade names, trademarks, service marks, customer lists and advertising matter, or any property of a similar nature, as it pertains to the Pledged Collateral, in completing production of, advertising for sale, and selling any Pledged Collateral, and, following the occurrence and during the continuance of an Event of Default, such Grantor's rights under all licenses and all franchise agreements shall inure to the Administrative Agent's benefit. In addition, each Grantor hereby irrevocably agrees that the Administrative Agent may, following the occurrence and during the continuance of an Event of Default, sell any of such Grantor's Inventory directly to any person, including without limitation persons who have previously purchased such Grantor's Inventory from such Grantor and in connection with any such sale or other enforcement of the Administrative Agent's rights under this Security Agreement, may sell Inventory which bears any trademark owned by or licensed to such Grantor and any Inventory that is covered by any copyright owned by or licensed to such Grantor and the Administrative Agent may finish any work in process and affix any trademark owned by or licensed to such Grantor and sell such Inventory as provided herein.



## ARTICLE VI

## WAIVERS, AMENDMENTS AND REMEDIES

No delay or omission of the Administrative Agent or any Holder of Obligations to exercise any right or remedy granted under this Security Agreement shall impair such right or remedy or be construed to be a waiver of any Default or an acquiescence therein, and any single or partial exercise of any such right or remedy shall not preclude any other or further exercise thereof or the exercise of any other right or remedy. No waiver, amendment or other variation of the terms, conditions or provisions of this Security Agreement whatsoever shall be valid unless in writing signed by the Administrative Agent with the concurrence or at the direction of (a) the Required Lenders and (b) each Grantor, and then only to the extent in such writing specifically set forth, provided that the addition of any Subsidiary of the Borrower as a Grantor hereunder by execution of a Security Agreement Supplement in the form of Annex I (with such modifications as shall be acceptable to the Administrative Agent) shall not require receipt of any consent from or execution of any documentation by any other Grantor party hereto. All rights and remedies contained in this Security Agreement or by law afforded shall be cumulative and all shall be available to the Administrative Agent and the Holders of Obligations until the Westline Obligations (other than contingent indemnification obligations that have not yet arisen) have been paid in full.

## ARTICLE VII

## PROCEEDS; COLLECTION OF RECEIVABLES

7.1. Lockboxes and Account Control Agreements. Upon request of the Administrative Agent and during the continuance of an Event of Default, each Grantor shall execute and deliver to the Administrative Agent irrevocable lockbox and account control agreements in the form provided by or otherwise acceptable to the Administrative Agent, which agreements shall be accompanied by an acknowledgment by the bank where the lockbox and applicable deposit account is located of the Lien of the Administrative Agent granted hereunder and of irrevocable instructions to wire all amounts collected therein to a special collateral account at the Administrative Agent or its designee.

7.2. Collection of Receivables. The Administrative Agent may at any time after the occurrence and during the continuance of an Event of Default, by giving each Grantor prior written notice, elect to require that the Receivables be paid directly to the Administrative Agent for the benefit of the Holders of Obligations. In such event, each Grantor shall, and shall permit the Administrative Agent to, promptly notify the account debtors or obligors under the Receivables owned by such Grantor of the Administrative Agent's interest therein and direct such account debtors or obligors to make payment of all amounts then or thereafter due under such Receivables directly to the Administrative Agent. Upon receipt of any such notice from the Administrative Agent, each Grantor shall thereafter hold in trust for the Administrative Agent, on behalf of the Holders of Obligations, all amounts and proceeds received by it with respect to the Receivables and Other Collateral and immediately and at all times thereafter deliver to the Administrative Agent all such amounts and proceeds in the same form as so received, whether by

cash, check, draft or otherwise, with any necessary endorsements. The Administrative Agent shall hold and apply funds so received as provided by the terms of Sections 7.3 and 7.4 hereof.

7.3. Special Collateral Account. The Administrative Agent may at any time after the occurrence and during the continuance of an Event of Default, by giving each Grantor prior written notice, elect to require all cash proceeds of such Grantor's Pledged Collateral to be deposited in a special non-interest bearing cash collateral account with the Administrative Agent and held there as security for the Westline Obligations. No Grantor shall have any control whatsoever over said cash collateral account. The Administrative Agent may (and shall, at the direction of the Required Lenders), from time to time, apply the collected balances in said cash collateral account to the payment of the Westline Obligations then due and owing.

7.4. Application of Proceeds. The proceeds of the Pledged Collateral shall be applied by the Administrative Agent to payment of the Westline Obligations in the following order unless a court of competent jurisdiction shall otherwise direct:

(a) FIRST, to payment of all costs and expenses of the Administrative Agent incurred in connection with the collection and enforcement of the Westline Obligations or of the security interest granted to the Administrative Agent pursuant to this Security Agreement;

(b) SECOND, to payment of that portion of the Westline Obligations constituting accrued and unpaid interest and fees, pro rata among the Administrative Agent, Lenders and their Affiliates in accordance with the amount of such accrued and unpaid interest and fees owing to each of them;

(c) THIRD, to payment of the principal of the Westline Obligations then due and unpaid from the Borrower to any of the Administrative Agent, Lenders or their Affiliates, pro rata among the Lenders and their Affiliates in accordance with the amount of such principal then due and unpaid owing to each of them;

(d) FOURTH, to payment of any Westline Obligations (other than those listed above) pro rata among those parties to whom such Westline Obligations are due in accordance with the amounts owing to each of them; and

(e) FIFTH, the balance, if any, after all of the Westline Obligations have been satisfied, shall be distributed by the Administrative Agent to the applicable Grantor or at its direction.

## ARTICLE VIII

### GENERAL PROVISIONS

8.1. Notice of Disposition of Pledged Collateral; Condition of Pledged Collateral. Each Grantor hereby waives notice of the time and place of any public sale or the time after which any private sale or other disposition of all or any part of the Pledged Collateral may be made. To the extent such notice may not be waived under applicable law, any notice made shall be deemed reasonable if sent to the Borrower, as designee for the other Grantors, addressed as

set forth in Article IX, at least ten (10) days prior to (i) the date of any such public sale or (ii) the time after which any such private sale or other disposition may be made. The Administrative Agent shall have no obligation to clean-up or otherwise prepare the Pledged Collateral for sale.

8.2. Compromises and Collection of Pledged Collateral. Each Grantor and the Administrative Agent recognize that setoffs, counterclaims, defenses and other claims may be asserted by obligors with respect to certain of the Receivables, that certain of the Receivables may be or become uncollectible in whole or in part and that the expense and probability of success in litigating a disputed Receivable may exceed the amount that reasonably may be expected to be recovered with respect to a Receivable. In view of the foregoing, each Grantor agrees that the Administrative Agent may at any time and from time to time, if an Event of Default has occurred and is continuing, compromise with the obligor on any Receivable, accept in full payment of any Receivable such amount as the Administrative Agent in its sole discretion shall determine or abandon any Receivable, and any such action by the Administrative Agent shall be commercially reasonable so long as the Administrative Agent acts in good faith based on information known to it at the time it takes any such action.

8.3. Secured Party Performance of Grantors' Obligations. Without having any obligation to do so, and only after the occurrence and during the continuance of an Event of Default, the Administrative Agent may perform or pay any obligation which any Grantor has agreed to perform or pay in this Security Agreement and such Grantor shall reimburse the Administrative Agent for any reasonable amounts paid by the Administrative Agent pursuant to this Section 8.3. Each Grantor's obligation to reimburse the Administrative Agent pursuant to the preceding sentence shall be an obligation payable on demand.

8.4. Authorization for Secured Party to Take Certain Action. Each Grantor irrevocably authorizes the Administrative Agent at any time and from time to time in the sole discretion of the Administrative Agent and appoints the Administrative Agent as its attorney in fact (i) to execute on behalf of such Grantor as debtor and to file financing statements necessary or advisable in the Administrative Agent's sole discretion to perfect and to maintain the perfection and priority of the Administrative Agent's security interest in the Pledged Collateral, (ii) to endorse and collect any cash proceeds of the Pledged Collateral, (iii) to file a carbon, photographic or other reproduction of any financing statement with respect to the Pledged Collateral as a financing statement and to file any other financing statement or amendment of a financing statement (which does not add new collateral or add a debtor) in such offices as the Administrative Agent in its sole discretion deems necessary or advisable to perfect and to maintain the perfection and priority of the Administrative Agent's security interest in the Pledged Collateral, (iv) to contact and enter into one or more agreements with the issuers of uncertificated securities which are Pledged Collateral owned by such Grantor and which are Securities or with financial intermediaries holding other Investment Property as may be necessary or advisable to give the Administrative Agent Control over such Securities or other Investment Property, (v) subject to the terms of Section 4.1.5 hereof, to enforce payment of the Instruments, Accounts and Receivables in the name of the Administrative Agent or such Grantor, (vi) to apply the proceeds of any Pledged Collateral received by the Administrative Agent to the Westline Obligations as provided in Article VII and (vii) to discharge past due taxes, assessments, charges, fees or Liens on the Pledged Collateral (except for such Liens as are specifically permitted hereunder or under any other Loan Document), and each Grantor agrees to

reimburse the Administrative Agent on demand for any reasonable payment made or any reasonable expense incurred by the Administrative Agent in connection therewith, provided that this authorization shall not relieve any Grantor of any of its obligations under this Security Agreement or under the Credit Agreement. The Administrative Agent agrees to give the applicable Grantor notice of those actions taken by the Administrative Agent in respect of clauses (iv) and (vii) above; provided that such Grantor's receipt of such notice shall not be a condition to the Administrative Agent taking any such actions.

8.5. Specific Performance of Certain Covenants. Each Grantor acknowledges and agrees that a breach of any of the covenants contained in Sections 4.1.5, 4.1.6, 4.4, 4.5, 5.2, or 8.7 or in Article VII hereof will cause irreparable injury to the Administrative Agent and the Holders of Obligations, that the Administrative Agent and Holders of Obligations have no adequate remedy at law in respect of such breaches and therefore agrees, without limiting the right of the Administrative Agent or the Holders of Obligations to seek and obtain specific performance of other obligations of the Grantors contained in this Security Agreement, that the covenants of the Grantors contained in the Sections referred to in this Section 8.5 shall be specifically enforceable against the Grantors.

8.6. Use and Possession of Certain Premises. Upon the occurrence and during the continuance of an Event of Default, the Administrative Agent shall be entitled to occupy and use any premises owned or leased by any Grantor where any of such Grantor's Pledged Collateral or any records relating to such Grantor's Pledged Collateral are located until the Westline Obligations are paid or such Grantor's Pledged Collateral is removed therefrom, whichever first occurs, without any obligation to pay any Grantor for such use and occupancy.

8.7. Dispositions Not Authorized. No Grantor is authorized to sell or otherwise dispose of its respective Pledged Collateral except as set forth in Section 4.1.5 hereof and notwithstanding any course of dealing between such Grantor and the Administrative Agent or other conduct of the Administrative Agent, no authorization to sell or otherwise dispose of such Grantor's Pledged Collateral (except as set forth in Section 4.1.5 hereof) shall be binding upon the Administrative Agent or the Holders of Obligations unless such authorization is in writing signed by the Administrative Agent with the consent or at the direction of the Required Lenders.

8.8. Benefit of Agreement. The terms and provisions of this Security Agreement shall be binding upon and inure to the benefit of the Grantors, the Administrative Agent and the Holders of Obligations and their respective successors and assigns (including all persons who become bound as a debtor to this Security Agreement), except that no Grantor shall have the right to assign its rights or delegate its obligations under this Security Agreement or any interest herein, without the prior written consent of the Administrative Agent.

8.9. Survival of Representations. All representations and warranties of the Grantors contained in this Security Agreement shall survive the execution and delivery of this Security Agreement.

8.10. Taxes and Expenses. Any taxes (excluding income taxes owing by the Lenders or the Administrative Agent) payable, unless the validity of such taxes are being contested in good faith, or ruled payable by federal or state authority in respect of this Security Agreement shall be

paid by the Grantors, together with interest and penalties, if any. Each Grantor shall reimburse the Administrative Agent for any and all reasonable out-of-pocket expenses and internal charges (including reasonable attorneys' (including in-house attorneys), auditors' and accountants' fees) paid or incurred by the Administrative Agent in connection with the preparation, execution, delivery, administration, collection and enforcement of this Security Agreement and in the audit, analysis, administration, collection, preservation or sale of the Pledged Collateral (including the expenses and charges associated with any periodic or special audit of the Pledged Collateral to the extent such expenses and charges are required to be paid by the Borrower pursuant to the terms hereof and of the Credit Agreement). Any and all reasonable out-of-pocket costs and expenses incurred by Grantors in the performance of actions required pursuant to the terms hereof shall be borne solely by the Grantors.

8.11. Headings. The title of and section headings in this Security Agreement are for convenience of reference only, and shall not govern the interpretation of any of the terms and provisions of this Security Agreement.

8.12. Termination. This Security Agreement shall continue in effect (notwithstanding the fact that from time to time there may be no Westline Obligations outstanding) until (i) the Credit Agreement has terminated pursuant to its express terms, (ii) all of the Westline Obligations (other than contingent indemnification obligations that have not yet arisen) have been indefeasibly paid and performed in full and no commitments (including the Commitments) of the Administrative Agent or the Holders of Obligations which would give rise to any Westline Obligations are outstanding, and (iii) the trust required to be established pursuant to the Warrant Agreement shall have been established in accordance with the Warrant Agreement, and the Administrative Agent, on behalf of the Holders of Obligations shall immediately deliver documents, instruments and take all such further actions which the Grantors may reasonably request to evidence termination of this Security Agreement and the security interests granted hereby, including the filing of UCC-3 termination statements and the return of the Pledged Collateral.

8.13. Entire Agreement. This Security Agreement embodies the entire agreement and understanding between the Grantors and the Administrative Agent relating to the Pledged Collateral and supersedes all prior agreements and understandings among the Grantors and the Administrative Agent relating to the Pledged Collateral.

8.14. Governing Law; Jurisdiction; Waiver of Jury Trial.

8.14.1 **THIS SECURITY AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAW OF THE STATE OF NEW YORK.**

8.14.2 Each Grantor hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of the Supreme Court of the State of New York sitting in New York County and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Security Agreement or any other Loan Document, or for recognition or enforcement of any judgment, and each Grantor 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 Grantor 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 Security Agreement or any other Loan Document shall affect any right that the Administrative Agent or any Lender may otherwise have to bring any action or proceeding relating to this Security Agreement or any other Loan Document against any Grantor or its properties in the courts of any jurisdiction.

8.14.3 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 Security Agreement or any other Loan Document in any court referred to in Section 8.14.2. Each Grantor 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.

**8.14.4 WAIVER OF JURY TRIAL. EACH GRANTOR AND ADMINISTRATIVE AGENT HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS SECURITY AGREEMENT OR ANY OTHER LOAN DOCUMENT (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH GRANTOR (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER GRANTOR HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER GRANTOR WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER GRANTORS HAVE BEEN INDUCED TO ENTER INTO THIS SECURITY AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.**

8.15. Indemnity. Each Grantor hereby agrees, jointly with the other Grantors and severally, to indemnify the Administrative Agent and the Holders of Obligations, and their respective successors and assigns, and each Related Party of any of the foregoing Persons, from and against any and all liabilities, damages, penalties, suits, costs, and expenses of any kind and nature (including, without limitation, all expenses of litigation or preparation therefor whether or not the Administrative Agent or any Holder of Obligations is a party thereto) imposed on, incurred by or asserted against the Administrative Agent or the Holders of Obligations, or their respective successors and assigns, or each Related Party of any of the foregoing Persons, in any way relating to or arising out of this Security Agreement or any other Loan Document, or the manufacture, purchase, acceptance, rejection, ownership, delivery, lease, possession, use, operation, condition, sale, return or other disposition of any Pledged Collateral (including, without limitation, latent and other defects, whether or not discoverable by the Administrative Agent or the Holders of Obligations or any Grantor, and any claim for patent, trademark or

copyright infringement), except as a direct result of the gross negligence, bad faith or willful misconduct of such identified person.

8.16. Subordination of Intercompany Indebtedness. Each Grantor agrees that any and all claims of such Grantor against any other Grantor (each an "Obligor") with respect to any "Intercompany Indebtedness" (as hereinafter defined), any endorser, obligor or any other guarantor of all or any part of the Westline Obligations, or against any of its properties shall be subordinate and subject in right of payment to the prior payment, in full and in cash, of all Westline Obligations, provided that, and not in contravention of the foregoing, so long as no Default has occurred and is continuing, such Grantor may make loans to and receive payments in the ordinary course of business with respect to such Intercompany Indebtedness from each such Obligor to the extent not prohibited by the terms of this Security Agreement and the other Loan Documents. Notwithstanding any right of any Grantor to ask, demand, sue for, take or receive any payment from any Obligor, all rights, liens and security interests of such Grantor, whether now or hereafter arising and howsoever existing, in any assets of any other Obligor shall be and are subordinated to the rights of the Holders of Obligations and the Administrative Agent in those assets. No Grantor shall have any right to possession of any such asset or to foreclose upon any such asset, whether by judicial action or otherwise, unless and until all of the Westline Obligations (other than contingent indemnity obligations) shall have been fully paid and satisfied (in cash) and all Commitments under the Credit Agreement have terminated or expired. If all or any part of the assets of any Obligor, or the proceeds thereof, are subject to any distribution, division or application to the creditors of such Obligor, whether partial or complete, voluntary or involuntary, and whether by reason of liquidation, bankruptcy, arrangement, receivership, assignment for the benefit of creditors or any other action or proceeding, or if the business of any such Obligor is dissolved or if substantially all of the assets of any such Obligor are sold, then, and in any such event (such events being herein referred to as an "Insolvency Event"), any payment or distribution of any kind or character, either in cash, securities or other property, which shall be payable or deliverable upon or with respect to any indebtedness of any Obligor to any Grantor ("Intercompany Indebtedness") shall be paid or delivered directly to the Administrative Agent for application on any of the Westline Obligations, due or to become due, until such Westline Obligations (other than contingent indemnity obligations) shall have first been fully paid and satisfied (in cash). Should any payment, distribution, security or instrument or proceeds thereof be received by the applicable Grantor upon or with respect to the Intercompany Indebtedness after any Insolvency Event and prior to the satisfaction of all of the Westline Obligations (other than contingent indemnity obligations) and the termination or expiration of all Commitments of the Lenders, such Grantor shall receive and hold the same in trust, as trustee, for the benefit of the Holders of Obligations and shall forthwith deliver the same to the Administrative Agent, for the benefit of the Holders of Obligations, in precisely the form received (except for the endorsement or assignment of such Grantor where necessary), for application to any of the Westline Obligations, due or not due, and, until so delivered, the same shall be held in trust by such Grantor as the property of the Holders of Obligations. If any such Grantor fails to make any such endorsement or assignment to the Administrative Agent, the Administrative Agent or any of its officers or employees is irrevocably authorized to make the same. Each Grantor agrees that until the Westline Obligations (other than the contingent indemnity obligations) have been paid in full (in cash) and satisfied and all Commitments have terminated or expired, no Grantor will assign or transfer to any Person (other than the

Administrative Agent, the Borrower or another Grantor) any claim any such Grantor has or may have against any Obligor.

## ARTICLE IX

### NOTICES

All notices, requests and other communications to any party hereunder shall be given in the manner prescribed in Section 9.01 of the Credit Agreement with respect to the Administrative Agent at its notice address therein and, with respect to any Grantor, in the care of the Borrower at the address of the Borrower set forth in the Credit Agreement, or such other address or telecopy number as such party may hereafter specify for such purpose in accordance with the provisions of Section 9.01 of the Credit Agreement.

## ARTICLE X

### THE ADMINISTRATIVE AGENT

Guggenheim Corporate Funding, LLC has been appointed Administrative Agent for the Holders of Obligations hereunder pursuant to Article VIII of the Credit Agreement. It is expressly understood and agreed by the parties to this Security Agreement that any authority conferred upon the Administrative Agent hereunder is subject to the terms of the delegation of authority made by the Holders of Obligations to the Administrative Agent pursuant to the Credit Agreement, and that the Administrative Agent has agreed to act (and any successor Administrative Agent shall act) as such hereunder only on the express conditions contained in such Article VIII of the Credit Agreement. Any successor Administrative Agent appointed pursuant to Article VIII of the Credit Agreement shall be entitled to all the rights, interests and benefits of the Administrative Agent hereunder.

[SIGNATURE PAGES TO FOLLOW]



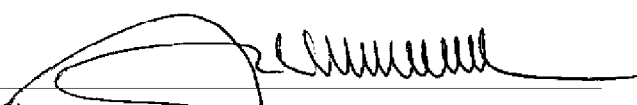
IN WITNESS WHEREOF, each Grantor and the Administrative Agent have executed this Security Agreement as of the date first above written.

**WESTLINE CORPORATION, AS BORROWER**

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

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

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



SIGNATURE PAGE TO  
WESTLINE PLEDGE & SECURITY AGREEMENT

LAI 809634

**TRADEMARK**  
**REEL: 003374 FRAME: 0083**

**SOUTH COAST DEALER SERVICES, INC.**By: 

Name:

Title:

INITIAL SUBSIDIARY GRANTORS:**INSURENOW INSURANCE SERVICES, INC.**By: 

Name:

Title:

**SOLO INSURANCE SERVICES, INC.**By: 

Name:

Title:

**SPOTCOVERAGE INSURANCE SERVICES, INC.**By: 

Name:

Title:

**SOUTH COAST AUTO INSURANCE  
MARKETING, INC.**By: 

Name:

Title:

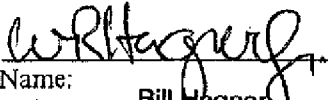
SIGNATURE PAGE TO  
WESTLINE PLEDGE & SECURITY AGREEMENT

LA1 800634

**TRADEMARK**  
**REEL: 003374 FRAME: 0084**

Acknowledged and Agreed to:

**GUGGENHEIM CORPORATE FUNDING, LLC, AS THE  
ADMINISTRATIVE AGENT**

By:   
Name: \_\_\_\_\_  
Title: **Bill Hagner**  
**Director and Counsel**

SIGNATURE PAGE TO  
WESTLINE PLEDGE & SECURITY AGREEMENT

LA1 800634

**TRADEMARK**  
**REEL: 003374 FRAME: 0085**

## EXHIBIT A

(See Sections 3.3, 3.4, 3.5 and 4.1.7 of Security Agreement)

A. LEGAL NAME AND PRINCIPAL PLACE OF BUSINESS<sup>1</sup>

Westline Corporation, a California corporation  
South Coast Dealer Services, Inc., a California corporation  
South Coast Auto Insurance Marketing, Inc., a California corporation  
Solo Insurance Services, Inc., a California corporation  
InsureNow Insurance Services, a California corporation  
Spot Coverage Insurance Services, a California Corporation

Principal Place of Business of all Grantors:

10801 Walker Street, Ste 250  
Cypress, CA 90630  
Landlord: Buzz Oates Real Estate

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<sup>1</sup> Principal place of business (if any Grantor has only one place of business) or chief executive office (if any Grantor has more than one place of business) and mailing address.

B. PROPERTIES LEASED BY THE GRANTORS<sup>2</sup>South Coast Auto Insurance Services, Inc.:

1220 Oak Street, Suite H  
Bakersfield, CA 93304  
Landlord: Terra Group

404 Auto Center Drive  
Claremont, CA 91711  
Landlord: Claremont Commercial

16486 Beach Boulevard  
Westminster, CA 92683  
Landlord: Pan Pacific Retail

2534 South Figueroa  
Los Angeles, CA 90007  
Landlord: J. Lucas

1333 Camino Del Rio South  
Suite 203  
San Diego, CA 92108  
Landlord: Mission Valley South

11805 Imperial Highway, Suite A  
Norwalk, CA 90650  
Landlord: Premier Property Management

72210 Highway 111  
Suite E-2  
Palm Desert, CA 92260  
Landlord: Realty Trust Group

2900 Adams Street  
Suite B30/10  
Riverside, CA 92504  
Landlord: Muller-Adams

4444 Lankershim Blvd., Suite 201  
Toluca Lake, CA 91602  
Landlord: Investment Development Services

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<sup>2</sup> Grantors to include the name of the landlord.

Solo Insurance Services, Inc.:

11133 183<sup>rd</sup> Street  
Cerritos, CA 90703  
Landlord: Barco Real Estate

624 Palomar Street, Suite 701  
Chula Vista, CA 91911  
Landlord: Sunbelt Management

3644 Rosemead Blvd.  
Rosemead, CA 91770  
Landlord: Aespace America

1995 Diners Court  
San Bernardino, CA 92408  
Landlord: Summit Team

7311 Clairmont Mesa Blvd.  
San Diego, CA 92111  
Landlord: Independence Square

630 Nordhal Road, Suite P  
San Marcos, CA 92069  
Landlord: Independence Square

1631 East 17<sup>th</sup> Street, Suite A  
Santa Ana, CA 92705  
Landlord: EdRon Enterprises

5375 West Centinela Avenue  
West Los Angeles, CA 90045  
Landlord: Grand Ladera, LLC

EXHIBIT A

WESTLINE PLEDGE &amp; SECURITY AGREEMENT

LA1 800634

**TRADEMARK**  
**REEL: 003374 FRAME: 0088**

C. PROPERTIES OWNED BY THE GRANTORS

None

EXHIBIT A

WESTLINE PLEDGE & SECURITY AGREEMENT

LA1 800634

**TRADEMARK**  
**REEL: 003374 FRAME: 0089**

D. PUBLIC WAREHOUSES OR OTHER LOCATIONS<sup>3</sup>Storage:

12642 Hoover Street

Garden Grove, CA

Landlord: CalWest Industrial Holdings

10857 Portal Drive

Los Alamitos, CA

Landlord: Los Alamitos Race Course

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<sup>3</sup> Public warehouses or other locations pursuant to Bailment or Consignment Arrangements. Grantors to include the name of the warehouse operator or other bailee or consignee.

EXHIBIT A

WESTLINE PLEDGE &amp; SECURITY AGREEMENT

LAI 800634

**TRADEMARK**  
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EXHIBIT B  
(See Sections 3.7 and 4.10 of Security Agreement)

PATENTS, COPYRIGHTS AND TRADEMARKS  
PROTECTED UNDER FEDERAL LAW:<sup>4</sup>

“South Coast Insurance”

USPTO Registration Date: July 21, 1998

USPTO Registration No.: 2,175,005

“IT’S THE SMART THING TO DO”

Registration Date: April 24, 2000

California Service Mark Registration No.: 53,250

“Solo”

Registration Date: March 1, 2000

California Service Mark Registration No.: 052967

South Coast Logo

Registration Date: May 30, 2006

USPTO Registration No.: 3,098,153

“PERSONAL SERVICE INSURANCE”

Registration Date: August 8, 2000

USPTO Registration No.: 2,375,639

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<sup>4</sup> For (i) trademarks, show the trademark itself, the registration date and the registration number; (ii) trademark applications, show the trademark applied for, the application filing date and the serial number of the application; (iii) patents, show the patent number, issue date and a brief description of the subject matter of the patent; and (iv) patent applications, show the serial number of the application, the application filing date and a brief description of the subject matter of the patent applied for. Any licensing agreements for patents or trademarks should be described on a separate schedule.

EXHIBIT C  
(See Section 3.10 of Security Agreement)

LIST OF PLEDGED SECURITIES

A. STOCKS:

Westline Corporation, 10,000 shares of common stock of InsureNow Insurance Services, Inc.,  
Certificate #1

Westline Corporation, 5,000 shares of common stock of Qwik Quote Insurance Brokers, Inc.  
("Qwik Quote") (Qwik Quote subsequently changed its name to "Solo Insurance Services,  
Inc."), Certificate # 3

Westline Corporation, 10,000 shares of common stock of SpotCoverage Insurance Services, Inc.,  
Certificate #1

Westline Corporation, 142,857.143 shares of common stock of South Coast Auto Insurance  
Marketing, Inc., Certificate # 1

EXHIBIT C

WESTLINE PLEDGE & SECURITY AGREEMENT

LA1 800634

TRADEMARK  
REEL: 003374 FRAME: 0092

## B. BONDS:

<u>Issuer</u>	<u>Number</u>	<u>Face Amount</u>	<u>Coupon Rate</u>	<u>Maturity</u>
None				

## C. GOVERNMENT SECURITIES:

<u>Issuer</u>	<u>Number</u>	<u>Type</u>	<u>Face Amount</u>	<u>Coupon Rate</u>	<u>Maturity</u>
None					

D. OTHER SECURITIES OR OTHER INVESTMENT PROPERTY  
(CERTIFICATED AND UNCERTIFICATED):

<u>Issuer</u>	<u>Description of Collateral</u>	<u>Percentage Ownership Interest</u>
None		

EXHIBIT C

WESTLINE PLEDGE &amp; SECURITY AGREEMENT

LAI 800634

**TRADEMARK**  
**REEL: 003374 FRAME: 0093**

EXHIBIT D  
(See Section 3.1 of Security Agreement)

UCC FINANCING STATEMENT FILING LOCATIONS

<u>DEBTOR</u>	<u>JURISDICTION</u>
Westline Corporation	CA
South Coast Dealer Services, Inc.	CA
InsureNow Insurance Services, Inc.	CA
Solo Insurance Services, Inc.	CA
SpotCoverage Insurance Services, Inc.	CA
South Coast Auto Insurance Marketing, Inc.	CA

EXHIBIT D

WESTLINE PLEDGE & SECURITY AGREEMENT

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**TRADEMARK**  
**REEL: 003374 FRAME: 0094**

## EXHIBIT E

(See Definition of "Commercial Tort Claims" and Section 4.11 of Security Agreement)

## COMMERCIAL TORT CLAIMS

None

EXHIBIT E

WESTLINE PLEDGE &amp; SECURITY AGREEMENT

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TRADEMARK

REEL: 003374 FRAME: 0095

EXHIBIT F  
(See Section 3.9 of Security Agreement)

GRANTORS

<u>GRANTOR</u>	<u>FEDERAL EMPLOYEE IDENTIFICATION NUMBER</u>	<u>TYPE OF ORGANIZATION</u>	<u>JURISDICTION OF ORGANIZATION</u>	<u>ORGANIZATION NUMBER</u>
<u>WESTLINE CORPORATION</u>	01-0754298	Corporation	California	C2473751
South Coast Dealer Services, Inc.	33-0623584	Corporation	California	C1892188
South Coast Auto Insurance Marketing, Inc.	33-442547	Corporation	California	C1672594
Solo Insurance Services, Inc.	46-0479353	Corporation	California	C2411195
Spotcoverage Insurance Services, Inc.	20-0260345	Corporation	California	C2535356
InsureNow Insurance Services, Inc.	20-0260407	Corporation	California	C2509535

EXHIBIT F

WESTLINE PLEDGE & SECURITY AGREEMENT

LAI 800634

**TRADEMARK**  
**REEL: 003374 FRAME: 0096**

ANNEX I TO PLEDGE AND SECURITY AGREEMENT

Reference is hereby made to the Pledge and Security Agreement (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "Security Agreement"), dated as of August 18, 2006, by and among Westline Corporation, a California corporation (the "Borrower"), South Coast Dealer Services, Inc., a California corporation ("SCDS"), and certain Subsidiaries of the Borrower which become parties to the Security Agreement from time to time, including, without limitation, those that become party thereto by executing a Security Agreement Supplement in substantially the form hereof (such Subsidiaries, including the undersigned, together with the Borrower and SCDS, the "Grantors"), in favor of Guggenheim Corporate Funding, LLC, as Administrative Agent (the "Administrative Agent"), for the benefit of the Holders of Obligations under the Credit Agreement. Capitalized terms used herein and not defined herein shall have the meanings given to such terms in the Security Agreement.

By its execution below, the undersigned, [NAME OF NEW GRANTOR], a [ \_\_\_\_\_ ] [corporation] [partnership] [limited liability company] agrees to become, and does hereby become, a Grantor under the Security Agreement and agrees to be bound by such Security Agreement as if originally a party thereto. By its execution below, the undersigned represents and warrants as to itself that all of the representations and warranties contained in the Security Agreement are true and correct in all respects as of the date hereof. [NAME OF NEW GRANTOR] represents and warrants that the supplements to the Exhibits to the Security Agreement attached hereto are true and correct in all respects and such supplements set forth all information required to be scheduled under the Security Agreement. [NAME OF NEW GRANTOR] shall take all steps necessary to perfect, in favor of the Administrative Agent, a first-priority security interest in and lien against [NAME OF NEW GRANTOR]'s Pledged Collateral, including, without limitation, to the extent required by the Security Agreement, delivering all certificated Securities to the Administrative Agent, and taking all steps necessary to properly perfect the Administrative Agent's interest in any uncertificated equity or membership interests.

IN WITNESS WHEREOF, [NAME OF NEW GRANTOR], a [ \_\_\_\_\_ ] [corporation] [partnership] [limited liability company] has executed and delivered this Annex I counterpart to the Security Agreement as of this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_.

[NAME OF NEW GRANTOR]

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

ANNEX I

WESTLINE PLEDGE & SECURITY AGREEMENT

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