

**TRADEMARK ASSIGNMENT**

Electronic Version v1.1  
 Stylesheet Version v1.1

<b>SUBMISSION TYPE:</b>	NEW ASSIGNMENT		
<b>NATURE OF CONVEYANCE:</b>	Amended And Restated Guarantor Security Agreement		
<b>CONVEYING PARTY DATA</b>			
<b>Name</b>	<b>Formerly</b>	<b>Execution Date</b>	<b>Entity Type</b>
USPOLY COMPANY, LLC		12/21/2007	LIMITED LIABILITY COMPANY: MINNESOTA
<b>RECEIVING PARTY DATA</b>			
<b>Name:</b>	MEGA INTERNATIONAL COMMERCIAL BANK CO., LTD., SILICON VALLEY BRANCH		
<b>Street Address:</b>	333 W. San Carlos Street, Suite 100		
<b>City:</b>	San Jose		
<b>State/Country:</b>	CALIFORNIA		
<b>Postal Code:</b>	95110		
<b>Entity Type:</b>	Banking corporation:		
<b>PROPERTY NUMBERS Total: 6</b>			
<b>Property Type</b>	<b>Number</b>	<b>Word Mark</b>	
Registration Number:	2900313	ULTRA-STRIPE	
Registration Number:	3088545	USPOLY	
Registration Number:	1559008		
Registration Number:	1526900	PURE-CORE	
Registration Number:	1640478	TRI-STRIPE	
Registration Number:	1760686	METFIT	
<b>CORRESPONDENCE DATA</b>			
<b>Fax Number:</b>	(415)268-7522		
	<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>		
<b>Phone:</b>	415 268 6036		
<b>Email:</b>	rlal@mofa.com		
<b>Correspondent Name:</b>	John Kline, Senior Paralegal		
<b>Address Line 1:</b>	Morrison & Foerster LLP, 425 Market St.		
<b>Address Line 4:</b>	San Francisco, CALIFORNIA 94105-2482		

**CH \$165.00 2900313**

ATTORNEY DOCKET NUMBER:	26486-16
NAME OF SUBMITTER:	John Kline
Signature:	/John Kline/
Date:	12/26/2007

**Total Attachments: 39**

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AMENDED AND RESTATED GUARANTOR SECURITY AGREEMENT

THIS AMENDED AND RESTATED GUARANTOR SECURITY AGREEMENT (this "Agreement"), dated as of December 21, 2007, is made between each Subsidiary named in the signature pages hereof and including each Acceding Guarantor that signs an Accession agreement pursuant to Section 25 hereof (each a "Grantor" and, collectively, the "Grantors") certain financial institutions, as lenders (each a "Bank" and collectively, the "Banks") and Mega International Commercial Bank Co., Ltd., Silicon Valley Branch, (as successor by merger to Chiao Tung Bank, Silicon Valley Branch), as agent for the Banks (in such capacity, the "Agent") and as issuer of letters of credit (in such capacity, the "Issuing Bank").

WHEREAS, J-M Manufacturing Company, Inc., a Delaware corporation, (the "Company"), the "Banks, Chiao Tung Bank, Silicon Valley Branch, arranger and the Agent are parties to that certain Secured Revolving Credit, Term Loan and Letter of Credit Agreement dated as of November 1, 2005 (the "Existing Credit Agreement").

WHEREAS, to guarantee the indebtedness and other obligations of the Borrower under the Existing Credit Agreement, certain Grantors have entered into a Guaranty, dated as of November 1, 2005 the "Existing Guarantor Security Agreement") in favor of the Agent.

WHEREAS, the Company, PW Eagle, Inc. a Minnesota corporation ("PWE" and together with the Company each a "Borrower" and collectively, the "Borrowers"), the Agent, the Banks and the Issuing Bank have agreed to amend and restate the Existing Credit Agreement pursuant to the Amended and Restated Secured Revolving Credit, Term Loan an Letter of Credit Agreement dated as of December 21, 2007, (as amended, modified, renewed or extended from time to time, the "Credit Agreement"). It is a condition precedent to the Borrowings and the issuance of Letters of Credit under the Credit Agreement that this Existing Guarantor Security Agreement be amended and restated and that each Grantor grant and confirm its grant to the Agent, for itself and for the ratable benefit of the Issuing Bank and the Banks, the security interests hereinafter provided to secure the obligations of each Grantor described below.

Accordingly, the parties hereto agree as follows:

SECTION 1 Definitions; Interpretation.

(a) Terms Defined in Credit Agreement. All capitalized terms used in this Agreement and not otherwise defined herein shall have the meanings assigned to them in the Credit Agreement.

(b) Certain Defined Terms. As used in this Agreement, the following terms shall have the following meanings:

"Acceding Subsidiary" has the meaning set forth in Section 25 hereof.

1.

“Accession Agreement” has the meaning set forth in Section 25 hereof.

“Accounts” means any of any Grantor’s accounts, as such term is defined in Section 9-102 of the UCC.

“Books” means all books, records and other written, electronic or other documentation in whatever form maintained now or hereafter by or for any Grantor in connection with the ownership of its assets or the conduct of its business or evidencing or containing information relating to the Collateral, including: (i) ledgers; (ii) records indicating, summarizing, or evidencing any Grantor’s assets (including Inventory and Rights to Payment), business operations or financial condition; (iii) computer programs and software; (iv) computer discs, tapes, files, manuals, spreadsheets; (v) computer printouts and output of whatever kind; (vi) any other computer prepared or electronically stored, collected or reported information and equipment of any kind; and (vii) any and all other rights now or hereafter arising out of any contract or agreement between any Grantor and any service bureau, computer or data processing company or other Person charged with preparing or maintaining any Grantor’s books or records or with credit reporting.

“Chattel Paper” means any and all of any Grantor’s chattel paper, as such term is defined in Section 9-102 of the UCC, including all Electronic Chattel Paper.

“Collateral” has the meaning set forth in Section 2.

“Commercial Tort Claims” means any and all of any Grantor’s commercial tort claims, as such term is defined in Section 9-102 of the UCC, including any described in Schedule 1.

“Control Agreement” means any control agreement or other agreement with any securities intermediary, bank or other Person establishing the Agent’s control with respect to any Deposit Accounts, Letter-of-Credit Rights or Investment Property, for purposes of UCC Sections 9-104, 9-106 and 9-107.

“Deposit Account” means any deposit account, as such term is defined in Section 9-102 of the UCC, maintained by or for the benefit of any Grantor, whether or not restricted or designated for a particular purpose.

“Documents” means any Grantor’s documents, as such term is defined in Section 9-102 of the UCC.

“Electronic Chattel Paper” means any and all of any Grantor’s electronic chattel paper, as such term is defined in Section 9-102 of the UCC.

“Equipment” means any and all of any Grantor’s equipment, including any and all fixtures, as such terms are defined in Section 9-102 of the UCC.

“Exchange Act” means the Securities Exchange Act of 1934.

“General Intangibles” means any and all of any Grantor’s general intangibles, as such term is defined in Section 9-102 of the UCC.

“Goods” means any and all of any Grantor’s goods, as such term is defined in Article 9 of the UCC.

“Instruments” means any and all of any Grantor’s instruments, as such term is defined in Section 9-102 of the UCC.

“Intellectual Property Collateral” means the following properties and assets owned or held by any Grantor or in which such Grantor otherwise has any interest, now existing or hereafter acquired or arising:

(i) all patents and patent applications, domestic or foreign, all licenses relating to any of the foregoing and all income and royalties with respect to any licenses (including such patents, patent applications and patent licenses as described in Schedule 1), all rights to sue for past, present or future infringement thereof, all rights arising therefrom and pertaining thereto and all reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof;

(ii) all copyrights and applications for copyright, domestic or foreign, together with the underlying works of authorship (including titles), whether or not the underlying works of authorship have been published and whether said copyrights are statutory or arise under the common law, and all other rights and works of authorship (including the copyrights and copyright applications described in Schedule 1), all computer programs, computer databases, computer program flow diagrams, source codes, object codes and all tangible property embodying or incorporating any copyrights, all licenses relating to any of the foregoing and all income and royalties with respect to any licenses, and all other rights, claims and demands in any way relating to any such copyrights or works, including royalties and rights to sue for past, present or future infringement, and all rights of renewal and extension of copyright;

(iii) all state (including common law), federal and foreign trademarks, service marks and trade names, and applications for registration of such trademarks, service marks and trade names, all licenses relating to any of the foregoing and all income and royalties with respect to any licenses (including such marks, names, applications and licenses as described in Schedule 1), whether registered or unregistered and wherever registered, all rights to sue for past, present or future infringement or unconsented use thereof, all rights arising therefrom and pertaining thereto and all reissues, extensions and renewals thereof;

(iv) all trade secrets, trade dress, trade styles, logos, other source of business identifiers, mask-works, mask-work registrations, mask-work applications, software, confidential and proprietary information, customer lists, license rights, advertising materials, operating manuals, methods, processes, know-how, algorithms, formulae, databases, quality control procedures, product, service and technical specifications, operating, production and quality control manuals, sales literature, drawings, specifications, blue prints, descriptions, inventions, name plates and catalogs, internet websites, and internet domain names and associated URL addresses;

3.

(v) the entire goodwill of or associated with the businesses now or hereafter conducted by any Grantor connected with and symbolized by any of the aforementioned properties and assets; and

(vi) all accounts, all other proprietary rights, all other intellectual or other similar property and other general intangibles and rights to payment associated with or arising out of any of the aforementioned properties and assets and not otherwise described above.

“Inventory” means any Grantor’s inventory, as such term is defined in Section 9-102 of the UCC.

“Investment Property” means any Grantor’s investment property, as such term is defined in Section 9-102 of the UCC.

“Letter-of-Credit Rights” means any and all of any Grantor’s letter-of-credit rights, as such term is defined in Section 9-102 of the UCC.

“Partnership and LLC Collateral” means any and all limited, limited liability and general partnership interests and limited liability company interests of any type or nature, whether now owned or hereafter acquired by any Grantor, including any more specifically described in Schedule 1.

“Pledged Agreements” means any shareholders agreement, partnership agreement, limited liability company agreement or other contract or agreement included in the Collateral, as amended, modified, renewed or extended from time to time, including (i) all rights of any Grantor to receive moneys and other payments and distributions due or to become due thereunder or with respect thereto, (ii) all rights of such Grantor to receive proceeds of any insurance, indemnity, warranty, letter of credit or guaranty with respect thereto, (iii) all claims of such Grantor for damages arising out of any breach or default thereunder or in respect thereof; and (iv) the right of such Grantor to terminate, amend, supplement or modify any such agreement, contract, instrument or other document, to perform thereunder and to compel performance and otherwise exercise all rights and remedies thereunder or in respect thereof.

“Pledged Collateral” means any and all (i) Pledged Shares; (ii) additional capital stock or other equity securities of the direct or indirect Subsidiaries of any Grantor, whether certificated or uncertificated; (iii) other Investment Property of any Grantor; (iv) warrants, options or other rights entitling any Grantor to acquire any interest in capital stock or other securities of such Subsidiary or any other Person; (v) Partnership and LLC Collateral; (vi) Instruments; (vii) securities, property, interest, dividends and other payments and distributions issued as an addition to, in redemption of, in renewal or exchange for, in substitution or upon conversion of, or otherwise on account of, any of the foregoing; (viii) certificates and instruments now or hereafter representing or evidencing any of the foregoing; (ix) rights, interests and claims with respect to the foregoing, including under any and all related agreements, instruments and other documents, and (x) cash and non-cash proceeds of any of the foregoing, in each case whether presently existing or owned or hereafter arising or acquired and wherever located, and as from time to time received or receivable by, or otherwise paid or distributed to or acquired by, any Grantor.

“Pledged Shares” means all of the issued and outstanding shares of capital stock, whether certificated or uncertificated, of any Person now owned or hereafter acquired by any Grantor, including any more specifically described in Schedule 1.

“Proceeds” means all proceeds, as such term is defined in Section 9-102 of the UCC.

“Proceeds Account” has the meaning set forth in Section 10(c).

“Rights to Payment” means any and all of any Grantor’s Accounts, and all of any Grantor’s rights and claims to the payment or receipt of money or other forms of consideration of any kind in, to and under or with respect to the Collateral consisting of Chattel Paper, Documents, General Intangibles, Instruments, Investment Property, Letter-of-Credit Rights, Proceeds and Supporting Obligations.

“Secured Obligations” means as to any Grantor, the “Guaranteed Obligations” of such Grantor as defined in the Subsidiary Guaranty and the indebtedness, liabilities and other obligations of such Grantor to the Agent, the Issuing Bank and the Banks under this Agreement and any other Guarantor Document, whether now existing or hereafter arising, and whether due or to become due, absolute or contingent, liquidated or unliquidated, determined or undetermined, and including interest that accrues after the commencement by or against any Grantor of any Insolvency Proceeding naming any such Person as the debtor in such proceeding.

“Supporting Obligations” means all supporting obligations, as such term is defined in Section 9-102 of the UCC.

“UCC” means the Uniform Commercial Code as the same may, from time to time, be in effect in the State of New York.

(c) Terms Defined in UCC. Where applicable and except as otherwise defined herein, terms used in this Agreement shall have the meanings assigned to them in the UCC; provided, however, that to the extent that the UCC is used to define any term herein and such term is defined differently in different Articles of the UCC, the definition of such term contained in Article 9 of the UCC shall govern.

(d) Interpretation. The rules of interpretation set forth in Section 1.03 of the Credit Agreement shall be applicable to this Agreement and are incorporated herein by this reference.

## SECTION 2 Security Interest.

(a) Grant of Security Interest. As security for the payment and performance of the Secured Obligations, each Grantor hereby grants to the Agent, for itself and on behalf of and for the ratable benefit of the Issuing Bank and the Banks, a security interest in all of each Grantor’s right, title and interest in, to and under all of the following personal property, wherever located and whether now existing or owned or hereafter acquired or arising, including the following property (collectively, the “Collateral”): (i) all Chattel Paper; (ii) all Commercial Tort Claims; (iii) all Documents; (iv) all Equipment; (v) all General Intangibles; (vi) all Inventory; (vii) all Letter-of-Credit Rights; (viii) any Proceeds Account established pursuant to Section 10(c); (ix)

all Pledged Collateral; and (x) all money; (xi) all Accounts; (xii) all Instruments; (xiii) all Investment Property; (xiv) all other Goods; and (xv) all Deposit Accounts, all products and Proceeds of any and all of the foregoing, and all Supporting Obligations of any and all of the foregoing.

(b) Grantors Remain Liable. Anything herein to the contrary notwithstanding, (i) each Grantor shall remain liable under all of its Pledged Agreements, to the extent set forth therein, to perform all of its duties and obligations thereunder to the same extent as if this Agreement had not been executed, (ii) the exercise by the Agent of any of the rights hereunder shall not release such Grantor from any of its duties or obligations under such Pledged Agreements, and (iii) the Agent shall not have any obligation or liability under any Pledged Agreements by reason of this Agreement, nor shall the Agent be obligated to perform any of the obligations or duties of such Grantor thereunder or to take any action to collect or enforce any such contract, agreement or other document included in the Collateral hereunder.

(c) Controlled Foreign Corporations. Notwithstanding anything herein to the contrary, in no event shall the Collateral include, and no Grantor shall be deemed to have granted a security interest in, any Grantor's right, title or interest in any of the outstanding capital stock or other ownership interests of a Controlled Foreign Corporation (as defined below) in excess of 65% of the voting power of all classes of capital stock or other ownership interests of such Controlled Foreign Corporation entitled to vote; provided that (i) immediately upon the amendment of the Internal Revenue Code to allow the pledge of a greater percentage of the voting power of capital stock or other ownership interests in a Controlled Foreign Corporation without adverse tax consequences, the Collateral shall include, and each such Grantor shall be deemed to have granted a security interest in, such greater percentage of capital stock or other ownership interests of each Controlled Foreign Corporation; and (ii) if no adverse tax consequences to any Grantor shall arise or exist in connection with the pledge of any Controlled Foreign Corporation, the Collateral shall include, and each Grantor shall be deemed to have granted a security interest in, such Controlled Foreign Corporation. As used herein, "Controlled Foreign Corporation" shall mean a "controlled foreign corporation" as defined in the Internal Revenue Code.

(d) Continuing Security Interest. Each Grantor agrees that this Agreement shall create a continuing security interest in the Collateral which shall remain in effect until terminated in accordance with Section 26.

(e) Delivery of Pledged Collateral. Each Grantor hereby agrees to deliver to or for the account of the Agent, at the address and to the Person to be designated by the Agent, the certificates, instruments and other writings representing any Pledged Collateral, which shall be in suitable form for transfer by delivery, or shall be accompanied by duly executed instruments of transfer or assignment in blank, in form satisfactory to the Agent. If any Grantor shall become entitled to receive or shall receive any Pledged Collateral after the date hereof (including pursuant to Section 10.03(m) of the Credit Agreement, such Grantor shall accept the foregoing as the agent for the Agent, shall hold it in trust for the Agent, shall segregate it from other property or funds of such Grantor, and shall immediately deliver the same and all certificates, instruments and other writings representing such Pledged Collateral forthwith to or for the account of the



Agent, at the address and to the Person to be designated by the Agent, which shall be in suitable form for transfer by delivery, or shall be accompanied by duly executed instruments of transfer or assignment in blank in form satisfactory to the Agent. Notwithstanding the foregoing and anything to the contrary in this Agreement, Guiding Light need not deliver the certificates, instruments and other writings representing the membership or other equity interests of Plastics Technologies owned by Guiding Light until the earlier of the following: (i) the occurrence of a Default or Event of Default shall occur; and (ii) written request by the Agent at the direction of the Majority Banks.

(f) Transfer of Security Interest Other Than by Delivery. If for any reason Pledged Collateral cannot be delivered to or for the account of the Agent as provided in subsection 2(e), such Grantor shall promptly take such other steps as may be necessary or as shall be reasonably requested from time to time by the Agent to effect a transfer of a perfected first priority security interest in and pledge of the Pledged Collateral to the Agent for itself and on behalf of and for the ratable benefit of the other Banks pursuant to the UCC. To the extent practicable, each Grantor shall thereafter deliver the Pledged Collateral to or for the account of the Agent as provided in subsection 2(e).

### SECTION 3 Perfection and Priority.

(a) Financing Statements. Each Grantor hereby authorizes the Agent to file at any time and from time to time any financing statements describing the Collateral, including a description of the Collateral as “all assets” of each Grantor, and each Grantor shall execute and deliver to the Agent, and such Grantor hereby authorizes the Agent to file (with or without such Grantor’s signature), at any time and from time to time, all amendments to financing statements, continuation financing statements, termination statements, security agreements relating to the Intellectual Property Collateral, assignments, fixture filings, affidavits, reports, notices and other documents and instruments, in form reasonably satisfactory to the Agent, as the Agent may reasonably request, to perfect and continue perfected, maintain the priority of or provide notice of the Agent’s security interest in the Collateral and to accomplish the purposes of this Agreement. Without limiting the generality of the foregoing, each Grantor ratifies and authorizes the filing by the Agent of any financing statements filed prior to the date hereof.

(b) Bailees. Any Person (other than the Agent) at any time and from time to time holding all or any portion of the Collateral shall be deemed to, and shall, hold the Collateral as the agent of, and as pledge holder for, the Agent. At any time and from time to time, the Agent may give notice to any such Person holding all or any portion of the Collateral that such Person is holding the Collateral as the agent and bailee of, and as pledge holder for, the Agent, and obtain such Person’s written acknowledgment thereof. Without limiting the generality of the foregoing, each Grantor will join with the Agent in notifying any Person who has possession of any Collateral of the Agent’s security interest therein and, subject to Section 10.04 (t) of the Credit Agreement, obtaining an acknowledgment from such Person, that it is holding the Collateral for the benefit of the Agent.

(c) Control. Each Grantor will cooperate with the Agent in obtaining control (as defined in the UCC) of Collateral consisting of any Deposit Accounts, Electronic Chattel Paper, Investment Property or Letter-of-Credit Rights. Notwithstanding the foregoing, no Grantor will

be required to comply with the requirements of this Section with respect to (i) payroll accounts, (ii) employee benefit accounts or (iii) Deposit accounts with a balance that, at no time, exceeds \$20,000 or has an aggregate average daily balance (measured weekly) that does not, at any time, exceed \$10,000.

(d) Purchase Money Security Interests. To the extent any Grantor uses the proceeds of any of the Secured Obligations to purchase Collateral, such Grantor's repayment of the Secured Obligations shall apply on a "first-in, first-out" basis so that the portion of the Secured Obligations used to purchase a particular item of Collateral shall be paid in the chronological order such Grantor purchased the Collateral.

SECTION 4 Representations and Warranties. Each Grantor represents and warrants to the Issuing Bank, each Bank and the Agent that:

(a) Location of Chief Executive Office and Collateral. Each Grantor's chief executive office and principal place of business (as of the date of this Agreement) is located at the address set forth in Schedule 1; and all other locations (as of the date of this Agreement) where such Grantor conducts business or Collateral is kept are set forth in Schedule 1.

(b) Locations of Books. All locations where Books pertaining to the Rights to Payment are kept, including all equipment necessary for accessing such Books and the names and addresses of all service bureaus, computer or data processing companies and other Persons keeping any Books or collecting Rights to Payment for any Grantor, are set forth in Schedule 1.

(c) Jurisdiction of Organization and Names. Each Grantor's jurisdiction of organization is set forth in Schedule 1; and each Grantor's exact legal name is as set forth on the signature pages hereof. All trade names and trade styles under which each Grantor presently conducts its business operations are set forth in Schedule 1, and, except as set forth in Schedule 1, no Grantor has, at any time in the past five years: (i) been known as or used any other corporate, trade or fictitious name; (ii) changed its name; (iii) been the surviving or resulting corporation in a merger or consolidation; or (iv) acquired through asset purchase or otherwise any business of any Person.

(d) Collateral. Each Grantor has rights in or the power to transfer the Collateral, and each Grantor is, and, except as permitted by Section 5(i), will continue to be, the sole and complete owner of the Collateral (or, in the case of after-acquired Collateral, at the time each Grantor acquires rights in such Collateral, will be the sole and complete owner thereof), free from any Lien other than Permitted Liens.

(e) Enforceability; Priority of Security Interest. (i) This Agreement creates a security interest which is enforceable against the Collateral in which each Grantor now has rights and will create a security interest which is enforceable against the Collateral in which each Grantor hereafter acquires rights at the time such Grantor acquires any such rights; and (ii) except for the Pledged Interest of Plastics Technologies, the Agent has a perfected and first priority security interest in the Collateral in which each Grantor now has rights, and will have a perfected and first priority security interest in the Collateral in which such Grantor hereafter acquires rights at the

time such Grantor acquires any such rights, in each case securing the payment and performance of the Secured Obligations, subject in each case to Permitted Liens.

(f) Other Financing Statements. Other than (i) financing statements disclosed to the Agent and (ii) financing statements in favor of the Agent on behalf of the Issuing Bank and the Banks, no effective financing statement naming any Grantor as debtor, assignor, grantor, mortgagor, pledgor or the like and covering all or any part of the Collateral is on file in any filing or recording office in any jurisdiction.

(g) Rights to Payment.

(i) To such Grantor's knowledge the Rights to Payment represent valid, binding and enforceable obligations of the account debtors or other Persons obligated thereon, representing undisputed, bona fide transactions completed in accordance with the terms and provisions contained in any documents related thereto, and are and will be genuine, free from Liens, and not subject to any adverse claims, counterclaims, setoffs, defaults, disputes, defenses, discounts, retainages, holdbacks or conditions precedent of any kind of character, except to the extent incurred in the ordinary course of business or reflected by a Grantor's reserves for uncollectible Rights to Payment or to the extent, if any, that such account debtors or other Persons may be entitled to normal and ordinary course trade discounts, returns, adjustments and allowances in accordance with Section 5(m), or as otherwise disclosed to the Agent in writing;

(ii) such Grantor has not assigned any of its rights under the Rights to Payment except as provided in this Agreement or as set forth in the other Loan Documents;

(iii) all statements made, all unpaid balances and all other information in the Books and other documentation relating to the Rights to Payment are true and correct in all material respects;

(iv) such Grantor has no knowledge of any fact or circumstance which would materially impair the validity or collectibility of any of the Rights to Payment;

(v) to the best of each Grantor's knowledge and belief, all account debtors and other obligors on the Rights to Payment are solvent and generally paying its debts as they come due; and

(vi) all Rights to Payment comply with all applicable laws concerning form, content and manner of preparation and execution, including where applicable any federal or state consumer credit laws.

(h) Inventory. No Inventory is stored with any bailee, warehouseman or similar Person or on any premises leased to any Grantor, nor has any Inventory been consigned to such Grantor or consigned by such Grantor to any Person or is held by such Grantor for any Person under any "bill and hold" or other arrangement, except for consigned Inventory with a maximum value (when aggregated with the value of the consigned Inventory of the other Borrower Parties) of \$15,000,000 or as set forth in Schedule 1.

(i) Intellectual Property.

(i) Except as set forth in Schedule 1, no Grantor (directly or indirectly) owns, possesses or uses under any licensing arrangement any patents, copyrights, trademarks, service marks or trade names, nor is there currently pending before any Governmental Authority any application for registration of any patent, copyright, trademark, service mark or trade name;

(ii) all material patents, copyrights, trademarks, service marks and trade names are subsisting and have not been adjudged invalid or unenforceable in whole or in part;

(iii) all maintenance fees required to be paid on account of any patents have been timely paid for maintaining such patents in force, and, to such Grantor's knowledge, each of the patents is valid and enforceable and such Grantor has notified the Agent in writing of all prior art (including public uses and sales) of which it is aware;

(iv) to such Grantor's knowledge, no material infringement or unauthorized use presently is being made of any Intellectual Property Collateral by any Person;

(v) such Grantor is the sole and exclusive owner of the Intellectual Property Collateral and the past, present and contemplated future use of such Intellectual Property Collateral by such Grantor has not, does not and will not infringe or violate any right, privilege or license agreement of or with any other Person; and

(vi) such Grantor owns, has material rights under, is a party to, or an assignee of a party to all material licenses, patents, patent applications, copyrights, service marks, trademarks, trademark applications, trade names and all other Intellectual Property Collateral necessary to continue to conduct its business as heretofore conducted.

(j) Equipment.

(i) No material portion of the Equipment or other Collateral is affixed to real property, except Collateral with respect to which a Grantor has supplied the Agent with all information and documentation necessary to make all fixture filings required to perfect and protect the priority of the Agent's security interest in all such Collateral which may be fixtures as against all Persons having an interest in the premises to which such property may be affixed; and

(ii) no material portion of the Equipment is leased from or to any Person, except as set forth at Schedule 1 or as otherwise disclosed to the Agent and the Banks.

(k) Pledged Shares, Partnership and LLC Collateral and other Pledged Collateral.

(i) All the Pledged Shares and Partnership and LLC Collateral have been, and upon issuance any additional Pledged Collateral consisting of Pledged Shares, Partnership and LLC Collateral or any other securities, will be, duly and validly issued, and are and will be fully paid and non-assessable, subject in the case of Partnership and LLC Collateral to future assessments required under applicable law and any applicable partnership agreement, (ii) each Grantor is or, in the case of any such additional Pledged Collateral will be, the legal record and beneficial owner thereof, (iii) there are no restrictions on the transferability of the Pledged Collateral or such

additional Pledged Collateral to the Agent or with respect to the foreclosure, transfer or disposition thereof by the Agent, except as provided under applicable securities or “Blue Sky” laws, (iv) except as set forth in Schedule 1, the Pledged Shares and Partnership and LLC Collateral constitute 100% of the issued and outstanding shares of capital stock of any Grantor’s Subsidiaries, and no securities convertible into or exchangeable for any shares of capital stock of any such Grantor, or any options, warrants or other commitments entitling any Person to purchase or otherwise acquire any shares of capital stock of any such Grantor, are issued and outstanding, (v) any and all shareholders agreements, voting trusts, proxy agreements or other agreements or understandings which affect or relate to the voting or giving of written consents with respect to any of the Pledged Shares, and any and all partnership agreements, operating agreements and other agreements relating to the Partnership and LLC Collateral, have been disclosed in writing to the Agent, and (vi) as to each partnership agreement, operating agreement and other agreement relating to the Partnership and LLC Collateral, (A) such agreement contains the entire agreement between the parties thereto with respect to the subject matter thereof, has not been amended or modified, and is in full force and effect in accordance with its terms, (B) to the best knowledge of each Grantor, there exists no material violation or material default under any such agreement by such Grantor or the other parties thereto, and (C) no Grantor has knowingly waived or released any of its material rights under or otherwise consented to a material departure from the terms and provisions of any such agreement.

(l) Valid Issuance of Pledged Collateral. All the Pledged Collateral have been, and upon issuance will be, duly and validly issued, and are and will be fully paid and non-assessable.

(m) Ownership of Pledged Collateral. Each Grantor is and will be the legal record and beneficial owner of all of its Pledged Collateral, and has and will have good and marketable title thereto, subject to no Lien except for the pledge and security interest created by this Agreement.

(n) Transfer Restrictions. There are no restrictions on the transferability of the Pledged Collateral to the Agent or with respect to the foreclosure, transfer or disposition thereof by the Agent.

(o) Shareholders Agreements. There are no shareholders agreements, voting trusts, proxy agreements or other agreements or understandings which affect or relate to the voting or giving of written consents with respect to any of the Pledged Collateral.

(p) Other Investment Property; Instruments; and Chattel Paper. All securities accounts of the Grantors, all Pledged Collateral owned by the Grantors and all other Investment Property of the Grantors are set forth in Schedule 1, and all Instruments and Chattel Paper held by the Grantors are also set forth in Schedule 1.

(q) Control Agreements. No Control Agreements exist with respect to any Collateral other than any Control Agreements in favor of the Agent.

(r) Letter-of-Credit Rights. No Grantor has any Letter-of-Credit Rights except as set forth in Schedule 1.

(s) Commercial Tort Claims. No Grantor has any Commercial Tort Claims except as set forth in Schedule 1.

(t) Leases. Except as set forth in Schedule 1, no Grantor is nor will become a lessee under any real property lease or other agreement governing the location of Collateral at the premises of another Person pursuant to which the lessor or such other Person may obtain any rights in any of the Collateral, and no such lease or other such agreement now prohibits, restrains, impairs or will prohibit, restrain or impair such Grantor's right to remove any Collateral from the premises at which such Collateral is situated, except for the usual and customary restrictions contained in such leases of real property.

(u) Deposit Accounts. The names and addresses of all financial institutions at which each Grantor maintains its Deposit Accounts, and the account numbers and account names of such Deposit Accounts, as set forth in Schedule 1.

SECTION 5 Covenants. So long as any of the Secured Obligations remain unsatisfied or any Bank shall have any Commitment, each Grantor agrees that:

(a) Defense of Collateral. Each Grantor will appear in and defend any action, suit or proceeding which may affect to a material extent its title to, or right or interest in, or the Agent's right or interest in, the Collateral.

(b) Preservation of Collateral. Each Grantor will do and perform all reasonable acts that may be reasonably necessary and appropriate to maintain, preserve and protect the Collateral.

(c) Compliance with Laws, Etc. Each Grantor will comply with all laws, regulations and ordinances, and all policies of insurance, relating in a material way to the possession, operation, maintenance and control of the Collateral unless failure to so comply could not reasonably be expected to result in a Material Adverse Effect.

(d) Location of Books and Chief Executive Office. Each Grantor will: (i) keep all Books pertaining to the Rights to Payment at the locations set forth in Schedule 1; and (ii) give at least 30 days' prior written notice to the Agent of (a) any changes in any such location where Books pertaining to the Rights to Payment are kept, including any change of name or address of any service bureau, computer or data processing company or other Person preparing or maintaining any Books or collecting Rights to Payment for such Grantor or (b) any change in the location of such Grantor's chief executive office or principal place of business.

(e) Location of Collateral. Each Grantor will: (i) keep its Collateral at the locations set forth in Schedule 1 and not remove such Collateral from such locations (other than sales of Inventory in the ordinary course of business, other dispositions permitted by subsection (i) and movements of Collateral from one disclosed location to another disclosed location within the United States), except upon at least 30 days' prior written notice of any removal to the Agent; and (ii) give the Agent at least 30 days' prior written notice of any change in the locations set forth in Schedule 1.

(f) Change in Name, Identity or Structure. Each Grantor will give at least 30 days' prior written notice to the Agent of (i) any change in its name, (ii) any change in its jurisdiction of organization, (iii) any change in its registration as an organization (or any new such registration); and (iv) any changes in its identity or structure in any manner which might make any financing statement filed hereunder incorrect or misleading; provided that no Grantor shall change its jurisdiction of organization to a jurisdiction outside of the United States.

(g) Maintenance of Records. Each Grantor will keep separate, accurate and complete Books with respect to the Collateral, disclosing the Agent's security interest hereunder.

(h) Pledged Agreements. (i) Each Grantor will furnish to the Agent promptly upon request thereof copies of (a) the Pledged Agreements and (b) all material notices, requests and other documents received by such Grantor in respect of the Pledged Agreements. (ii) Each Grantor will perform and observe in all material respects all terms and provisions of the Pledged Agreements to be performed or observed by it and enforce the Pledged Agreements in accordance with their terms, and take all such action to such end as may from time to time be reasonably requested by the Agent. (iii) No Grantor will vote to enable or take any other action to amend or terminate, or waive compliance with any of the terms of, any Pledged Agreement or Organization Documents in any way that adversely affects the validity, perfection or priority of the Agent's security interest therein.

(i) Disposition of Collateral. No Grantor will surrender or lose possession of (other than to the Agent), sell, lease, rent, or otherwise dispose of or transfer any of the Collateral or any right or interest therein, except to the extent permitted by the Loan Documents; provided that no such disposition or transfer of Investment Property or Instruments shall be permitted while any Event of Default exists.

(j) Liens. Each Grantor will keep the Collateral free of all Liens except Permitted Liens.

(k) Expenses. Each Grantor will pay all expenses of protecting, storing, warehousing, insuring, handling and shipping the Collateral.

(l) Leased Premises. Subject to Section 10.04(t) of the Credit Agreement, at the Agent's request, each Grantor will use commercially reasonable efforts to obtain from each Person from whom such Grantor leases any premises at which any Collateral is at any time present (including any bailee, warehouseman or similar person), any such collateral access, subordination, landlord waiver, consent and estoppel agreements as the Agent may require, in form and substance satisfactory to the Agent.

(m) Rights to Payment. Each Grantor will:

(i) with such frequency as the Agent may require or as may be required under the Credit Agreement, furnish to the Agent full and complete reports, in form and substance satisfactory to the Agent, with respect to the Accounts, including information as to concentration, aging, identity of account debtors, letters of credit securing Accounts, disputed Accounts and other matters, as the Agent shall request;

(ii) give only normal discounts, allowances and credits as to Accounts and other Rights to Payment, in the ordinary course of business, according to normal trade practices utilized by such Grantor in the past, and enforce all Accounts and other Rights to Payment strictly in accordance with their terms, and take all such action to such end as may from time to time be reasonably requested by the Agent;

(iii) if any discount, allowance, credit, extension of time for payment, agreement to make a rebate or otherwise to reduce the amount owing on, or compromise or settle, an Account or other Right to Payment exists or occurs, or if, to the knowledge of such Grantor, any dispute, setoff, claim, counterclaim or defense exists or has been asserted or threatened with respect to an Account or other Right to Payment, disclose such fact fully to the Agent in the Books relating to such Account or other Right to Payment and in connection with any invoice or report furnished by such Grantor to the Agent relating to such Account or other Right to Payment;

(iv) if any Accounts arise from contracts with the United States or any department, agency or instrumentality thereof, immediately notify the Agent thereof and execute any documents and instruments and take any other steps requested by the Agent in order that all monies due and to become due thereunder shall be assigned to the Agent and notice thereof given to the Federal authorities under the Federal Assignment of Claims Act;

(v) in accordance with its sound business judgment perform and comply in all material respects with its obligations in respect of the Accounts and other Rights to Payment;

(vi) upon the request of the Agent (a) at any time, notify all or any designated portion of the account debtors and other obligors on the Rights to Payment of the security interest hereunder, and (b) upon the occurrence and during the continuance of an Event of Default, notify the account debtors and other obligors on the Rights to Payment or any designated portion thereof that payment shall be made directly to the Agent or to such other Person or location as the Agent shall specify;

(vii) cause each Account debtor to deposit all Rights to Payment only in a Deposit Account that is subject to a control agreement in favor of the Agent; and

(viii) upon the occurrence and during the continuance of any Event of Default, establish such lockbox or similar arrangements for the payment of the Accounts and other Rights to Payment as the Agent shall require.

(n) Instruments, Investment Property, Etc. Upon the request of the Agent, each Grantor will (i) promptly deliver to the Agent, or an agent designated by it, appropriately endorsed or accompanied by appropriate instruments of transfer or assignment, all Instruments, Documents, Chattel Paper and certificated securities with respect to any Investment Property, all letters of credit, and all other Rights to Payment at any time evidenced by promissory notes, trade acceptances or other instruments, (ii) cause any securities intermediaries to show on their books that the Agent is the entitlement holder with respect to any Investment Property, and/or obtain Control Agreements in favor of the Agent from such securities intermediaries, in form and substance satisfactory to the Agent, with respect to any Investment Property, as requested by



Agent, and (iii) provide such notice, obtain such acknowledgments and take all such other action, with respect to any Chattel Paper, Documents and Letter-of Credit Rights, as the Agent shall reasonably specify.

(o) Inventory. Each Grantor will:

(i) at such times as the Agent shall request, prepare and deliver to the Agent a report of all its Inventory, in form and substance satisfactory to the Agent;

(ii) upon the request of the Agent, take a physical listing of its Inventory and promptly deliver a copy of such physical listing to the Agent; and

(iii) not store any of its Inventory with a bailee, warehouseman or similar Person or on premises leased to such Grantor, nor dispose of any Inventory on a bill-and-hold, guaranteed sale, sale and return, sale on approval, consignment or similar basis, nor acquire any Inventory from any Person on any such basis, except for consigned Inventory with a value (when aggregated with the value of the consigned Inventory of the other Borrower Parties) not in excess of \$15,000,000, or otherwise as set forth in Schedule 1.

(p) Equipment. Each Grantor will, upon the Agent's request, deliver to the Agent a report of each item of Equipment, in form and substance reasonably satisfactory to the Agent.

(q) Intellectual Property Collateral. Each Grantor will:

(i) not enter into any agreement adverse to the security interest of the Agent (including any license or royalty agreement) pertaining to any material Intellectual Property Collateral, except for non-exclusive licenses in the ordinary course of business;

(ii) not allow or suffer any material Intellectual Property Collateral to become abandoned, nor any registration thereof to be terminated, forfeited, expired or dedicated to the public;

(iii) promptly give the Agent notice of any rights such Grantor may obtain to any new patentable inventions, copyrightable works or other new Intellectual Property Collateral, prior to the filing of any application for registration thereof;

(iv) without limiting the generality of clause (iii), not register with the U.S. Copyright Office any unregistered copyrights (whether in existence on the date hereof or thereafter acquired, arising, or developed) unless such Grantor provides the Agent with written notice of its intent to register such copyrights not less than 30 days prior to the date of the proposed registration; and

(v) diligently prosecute all applications for patents, copyrights and trademarks, and file and prosecute any and all continuations, continuations-in-part, applications for reissue, applications for certificate of correction and like matters as shall be reasonable and appropriate in accordance with prudent business practice, and promptly and timely pay any and

all maintenance, license, registration and other fees, taxes and expenses incurred in connection with any Intellectual Property Collateral.

(r) Notices, Reports and Information; Additional Subsidiaries. Each Grantor will (i) notify the Agent of any other modifications of or additions to the information contained in Schedule 1 and provide to the Agent a revised Schedule 1, if requested; (ii) notify the Agent of any material claim made or asserted against the Collateral by any Person and of any change in the composition of the Collateral or other event which could materially adversely affect the value of the Collateral or the Agent's Lien thereon; (iii) furnish to the Agent such statements and schedules further identifying and describing the Collateral and such other reports and other information in connection with the Collateral as the Agent may reasonably request, all in reasonable detail; and (iv) upon request of the Agent make such demands and requests for information and reports as such Grantor is entitled to make in respect of the Collateral. Without limiting the foregoing, at any time that any Grantor forms or acquires any Subsidiary, such Grantor will take all actions required under Section 10.04(m) of the Credit Agreement.

(s) Chattel Paper. No Grantor will create any Chattel Paper with a value in excess of \$50,000 without placing a legend on the Chattel Paper acceptable to the Agent indicating that the Agent has a security interest in the Chattel Paper. Each Grantor will give the Agent prompt notice if such Grantor at any time holds or acquires an interest in any Chattel Paper, including any Electronic Chattel Paper.

(t) Commercial Tort Claims. Each Grantor will give the Agent immediate notice if such Grantor shall at any time hold or acquire any Commercial Tort Claim.

(u) Letter-of-Credit Rights. Each Grantor will give the Agent immediate notice if such Grantor shall at any time hold or acquire any Letter-of-Credit Rights.

(v) Plastics Technologies. For the avoidance of doubt, Guiding Light shall not (A) purchase or otherwise acquire any new capital stock or other equity interests in Plastics Technologies, (B) otherwise extend any credit to, guarantee the obligations of or make any additional investments in Plastics Technologies, or (C) transfer money or assets to, or otherwise capitalize, Plastics Technologies. Within 30 days following the first to occur of the following, (x) a Default or Event of Default and (y) notice by the Agent at the direction of the Majority Banks, Guiding Light shall deliver to the Agent all certificates, instruments and other writings representing no less than 65% of the equity interests of Plastics Technologies owned by Guiding Light.

(w) Shareholder Agreements and Other Agreements.

(i) Each Grantor shall comply with all of its obligations under any shareholders agreement, operating agreement, partnership agreement, voting trust, proxy agreement or other agreement or understanding (collectively, the "Pledged Collateral Agreements") to which it is a party and shall enforce all of its rights thereunder.

(ii) Each Grantor will take all actions necessary to cause each Pledged Collateral Agreement relating to Partnership and LLC Collateral that is (x) certificated to provide

specifically at all times that: (A) the Partnership and LLC Collateral shall be securities and shall be governed by Article 8 of the applicable UCC; (B) each certificate of membership or partnership representing the Partnership and LLC Collateral shall bear a legend to the effect that such membership interest or partnership interest is a security and is governed by Article 8 of the applicable UCC; and (C) no consent of any member, manager, partner or other Person shall be a condition to the admission as a member or partner of any transferee (including the Agent) that acquires ownership of the Partnership and LLC Collateral as a result of the exercise by the Agent of any remedy hereunder or under applicable law and (y) not certificated to provide specifically at all times that: (A) no Partnership and LLC Collateral shall be a security governed by Article 8 of the applicable UCC (B) no Partnership and LLC Collateral that is not certificated may become certificated; and (C) no consent of any member, manager, partner or other Person shall be a condition to the admission as a member or partner of any transferee (including the Agent) that acquires ownership of the Partnership and LLC Collateral as a result of the exercise by the Agent of any remedy hereunder or under applicable law. Additionally, each Grantor agrees that no Partnership and LLC Collateral (A) shall be dealt in or traded on any securities exchange or in any securities market, (B) shall constitute an investment company security, or (C) shall be held by such Grantor in a securities account.

(iii) No Grantor shall vote to enable or take any other action to: (A) amend or terminate, or waive compliance with any of the terms of, any Pledged Collateral Agreement, certificate or articles of incorporation, bylaws or other organizational documents in any way that materially changes the rights of such Grantor with respect to any Pledged Collateral in a manner adverse to the Agent or the Banks or that adversely affects the validity, perfection or priority of the Agent's security interest therein. No Grantor will enter into any shareholders agreement, voting trust, proxy agreement or other agreement or understanding which affects or relates to the voting or giving of written consents with respect to any of the Pledged Collateral.

(x) Invoicing of Sales. Each Grantor will invoice all of its sales upon forms customary in the industry and maintain proof of delivery and customer acceptance of goods.

(y) Deposit Accounts and Securities Accounts. Each Grantor will give the Agent immediate notice of the establishment of any new Deposit Account and any new securities account with respect to any Investment Property.

## SECTION 6 Rights to Payment.

(a) Collection of Rights to Payment. Until the Agent exercises its rights hereunder to collect Rights to Payment, each Grantor shall endeavor in the first instance diligently to collect all amounts due or to become due on or with respect to the Rights to Payment. At the request of the Agent, upon the occurrence and during the continuance of any Event of Default, all remittances received by such Grantor shall be held in trust for the Agent and, in accordance with the Agent's instructions, remitted to the Agent or deposited to an account with the Agent in the form received (with any necessary endorsements or instruments of assignment or transfer).

(b) Investment Property and Instruments. Upon the occurrence and during the continuance of an Event of Default shall have occurred, each Grantor shall be entitled to receive and retain for its own account any cash dividend on or other cash distribution, if any, in respect

of the Pledged Collateral, to the extent permitted by the Credit Agreement; provided, however, such Grantor shall not be entitled to receive (i) cash paid, payable or otherwise distributed in redemption of, or in exchange for or in substitution of, any Pledged Collateral, or (ii) dividends and other distributions paid or payable in cash in respect of any Pledged Collateral in connection with a partial or total liquidation or dissolution of any Grantor or in connection with a reduction of capital, capital surplus or paid-in-surplus or any other type of recapitalization. At the request of the Agent or the Majority Banks, upon and during the occurrence of any Event of Default, the Agent shall be entitled to receive all distributions and payments of any nature with respect to any Investment Property or Instruments, and all such distributions or payments received by any Grantor shall be held in trust for the Agent and, in accordance with the Agent's instructions, remitted to the Agent or deposited to an account with the Agent in the form received (with any necessary endorsements or instruments of assignment or transfer). Following the occurrence and during the continuance of an Event of Default any such distributions and payments with respect to any Investment Property held in any securities account shall be held and retained in such securities account, in each case as part of the Collateral hereunder. Additionally, the Agent shall have the right, upon and during the occurrence of an Event of Default, following prior written notice to a Grantor, to vote and to give consents, ratifications and waivers with respect to any Investment Property and Instruments of such Grantor, and to exercise all rights of conversion, exchange, subscription or any other rights, privileges or options pertaining thereto, as if the Agent were the absolute owner thereof; provided that the Agent shall have no duty to exercise any of the foregoing rights afforded to it and shall not be responsible to such Grantor or any other Person for any failure to do so or delay in doing so.

(c) Voting Prior to an Event of Default. Unless and until an Event of Default shall have occurred and be continuing each Grantor shall have the right to vote the Pledged Collateral and to give consents, ratifications and waivers in respect thereof, and shall retain the power to control the direction, management and policies of any Person comprising the Pledged Collateral to the same extent as such Grantor would if the Pledged Collateral were not pledged to the Agent pursuant to this Agreement; provided, however, that no vote shall be cast or consent, waiver or ratification given or action taken which would have the effect of impairing the position or interest of the Agent and the Banks in respect of the Pledged Collateral or which would alter the voting rights with respect to the stock or other ownership interest in or of any such Person or be inconsistent with or violate any provision of this Agreement, the Credit Agreement, or any other Loan Document. If applicable, each Grantor shall be deemed the beneficial owner of all Pledged Collateral for purposes of Sections 13 and 16 of the Exchange Act and agrees to file all reports required to be filed by beneficial owners of securities thereunder. The Agent shall execute and deliver (or cause to be executed and delivered) to the applicable Grantor all such proxies and other instruments as such Grantor may reasonably request for the purpose of enabling such Grantor to exercise the voting and other rights which it is entitled to exercise pursuant to this subsection (c) and to receive the distributions which it is authorized to receive and retain pursuant to this Agreement or the Credit Agreement

(d) General Authority upon an Event of Default. Upon and during the occurrence and during the continuance of any Event of Default:

(i) the Agent shall be entitled to receive all distributions and payments of any nature with respect to the Pledged Collateral, to be held by the Agent as part of the Pledged Collateral; and

(ii) the Agent shall have the right following prior written notice to the applicable Grantor to vote or consent to take any action with respect to the Pledged Collateral and exercise all rights of conversion, exchange, subscription or any other rights, privileges or options pertaining to the Pledged Collateral, as if the Agent were the absolute owner thereof.

(e) Distributions to Be Held for Agent. Distributions and other payments which are received by any Grantor but which it is not entitled to retain as a result of the operation of this Section 6 shall be held in trust for the benefit of the Agent, be segregated from the other property or funds of such Grantor, and be forthwith paid over or delivered to the Agent in the same form as so received.

(f) Certain Other Administrative Matters. The Agent may cause any of the Pledged Collateral to be transferred into its name or into the name of its nominee or nominees (subject to the revocable rights specified in this Section 6). The Agent shall at all times have the right to exchange uncertificated Pledged Collateral for certificated Pledged Collateral, and to exchange certificated Pledged Collateral for certificates of larger or smaller denominations, for any purpose consistent with this Agreement.

**SECTION 7** Authorization; Agent Appointed Attorney-in-Fact. The Agent shall have the right to, in the name of any Grantor, or in the name of the Agent or otherwise, without notice to or assent by such Grantor, and such Grantor hereby constitutes and appoints the Agent (and any of the Agent's officers or employees or agents designated by the Agent) as such Grantor's true and lawful attorney-in-fact, with full power and authority to:

(i) sign and file any of the financing statements (or amendments thereto) which must be executed or filed to perfect or continue perfected, maintain the priority of or provide notice of the Agent's security interest in the Collateral;

(ii) take possession of and endorse any notes, acceptances, checks, drafts, money orders or other forms of payment or security and collect any Proceeds of any Collateral;

(iii) sign and endorse any invoice or bill of lading relating to any of the Collateral, warehouse or storage receipts, drafts against customers or other obligors, assignments, notices of assignment, verifications and notices to customers or other obligors;

(iv) notify the U.S. Postal Service and other postal authorities to change the address for delivery of mail addressed to such Grantor to such address as the Agent may designate; and, without limiting the generality of the foregoing, establish with any Person lockbox or similar arrangements for the payment of the Rights to Payment;

(v) receive, open and dispose of all mail addressed to such Grantor;

(vi) send requests for verification of Rights to Payment to the customers or other obligors of such Grantor;

(vii) contact, or direct such Grantor to contact all account debtors and other obligors on the Rights to Payment and instruct such account debtors and other obligors to make all payments directly to the Agent;

(viii) assert, adjust, sue for, compromise or release any claims under any policies of insurance;

(ix) notify each Person maintaining lockbox or similar arrangements for the payment of the Rights to Payment to remit all amounts representing collections on the Rights to Payment directly to the Agent;

(x) ask, demand, collect, receive and give acquittances and receipts for any and all Rights to Payment, enforce payment or any other rights in respect of the Rights to Payment and other Collateral, grant consents, agree to any amendments, modifications or waivers of the agreements and documents governing the Rights to Payment and other Collateral, and otherwise file any claims, take any action or institute, defend, settle or adjust any actions, suits or proceedings with respect to the Collateral, as the Agent may deem necessary or desirable to maintain, preserve and protect the Collateral, to collect the Collateral or to enforce the rights of the Agent with respect to the Collateral;

(xi) execute any and all applications, documents, papers and instruments necessary for the Agent to use the Intellectual Property Collateral and grant or issue any exclusive or non-exclusive license or sublicense with respect to any Intellectual Property Collateral;

(xii) execute any and all endorsements, assignments or other documents and instruments necessary to sell, lease, assign, convey or otherwise transfer title in or dispose of the Collateral;

(xiii) execute and deliver to any securities intermediary or other Person any entitlement order or other notice, document or instrument which the Agent may deem necessary or advisable to maintain, protect, realize upon and preserve the Deposit Accounts and Investment Property and the Agent's security interest therein;

(xiv) execute any and all such other documents and instruments, and do any and all acts and things for and on behalf of such Grantor, which the Agent may deem necessary or advisable to maintain, protect, realize upon and preserve the Collateral and the Agent's security interest therein and to accomplish the purposes of this Agreement; and

(xv) exercise dominion and control over, and refuse to permit further withdrawals from, Deposit Accounts maintained with the Agent, any Bank or any other bank, financial institution or other Person

The Agent agrees that, except upon and the occurrence and during the continuance of an Event of Default, it shall not exercise the power of attorney, or any rights granted to the Agent, pursuant to clauses (ii) through (xv). The foregoing power of attorney is coupled with an interest and irrevocable so long as the Banks have any Commitments or the Secured Obligations have not been paid and performed in full. Each Grantor hereby ratifies, to the extent permitted by law, all that the Agent shall lawfully and in good faith do or cause to be done by virtue of and in compliance with this Section 7.

**SECTION 8 Agent Performance of Secured Obligations.** The Agent may perform or pay any obligation which any Grantor has agreed and failed to perform or pay under or in connection with this Agreement, and such Grantor shall reimburse the Agent on demand for any amounts paid by the Agent pursuant to this Section 8.

**SECTION 9 Agent's Duties.** Notwithstanding any provision contained in this Agreement, the Agent shall have no duty to exercise any of the rights, privileges or powers afforded to it and shall not be responsible to any Grantor or any other Person for any failure to do so or delay in doing so. Beyond the exercise of reasonable care to assure the safe custody of Collateral in the Agent's possession and the accounting for moneys actually received by the Agent hereunder, the Agent shall have no duty or liability to exercise or preserve any rights, privileges or powers pertaining to the Collateral.

**SECTION 10 Remedies.**

(a) Remedies. Upon the occurrence and during the continuance of any Event of Default, the Agent shall have, in addition to all other rights and remedies granted to it in this Agreement, the Credit Agreement, the Subsidiary Guaranty or any other Loan Document, all rights and remedies of a secured party under the UCC and other applicable laws. Without limiting the generality of the foregoing, each Grantor agrees that:

(i) The Agent may peaceably and without notice enter any premises of any Grantor, take possession of any Collateral, remove or dispose of all or part of the Collateral on any premises of such Grantor or elsewhere, or, in the case of Equipment, render it nonfunctional, and otherwise collect, receive, appropriate and realize upon all or any part of the Collateral, and demand, give receipt for, settle, renew, extend, exchange, compromise, adjust, or sue for all or any part of the Collateral, as the Agent may determine.

(ii) The Agent may require any Grantor to assemble all or any part of the Collateral and make it available to the Agent, at any place and time reasonably designated by the Agent.

(iii) The Agent may use or transfer any Grantor's rights and interests in any Intellectual Property Collateral, by license, by sublicense (to the extent permitted by an applicable license) or otherwise, on such conditions and in such manner as the Agent may determine.

(iv) The Agent may secure the appointment of a receiver of the Collateral or any part thereof (to the extent and in the manner provided by applicable law).

(v) The Agent may sell, resell, lease, use, assign, transfer or otherwise dispose of any or all of any Grantor's Collateral in its then condition or following any commercially reasonable preparation or processing (utilizing in connection therewith any of such Grantor's assets, without charge or liability to the Agent therefor) at public or private sale, by one or more contracts, in one or more parcels, at the same or different times, for cash or credit or for future delivery without assumption of any credit risk, all as the Agent deems advisable; provided, however, that such Grantor shall be credited with the net proceeds of sale only when such proceeds are finally collected by the Agent. The Agent and each of the Banks shall have the right upon any such public sale, and, to the extent permitted by law, upon any such private sale, to purchase the whole or any part of the Collateral so sold, free of any right or equity of redemption, which right or equity of redemption each Grantor hereby releases, to the extent permitted by law. The Agent shall give a Grantor such notice of any public or private sale as may be required by the UCC or other applicable law. Each Grantor recognizes that the Agent may be unable to make a public sale of any or all of the Investment Property, by reason of prohibitions contained in applicable securities laws or otherwise, and expressly agrees that a private sale to a restricted group of purchasers for investment and not with a view to any distribution thereof shall be considered a commercially reasonable sale.

(vi) Neither the Agent nor any Bank shall have any obligation to clean up or otherwise prepare the Collateral for sale. The Agent has no obligation to attempt to satisfy the Secured Obligations by collecting them from any other Person liable for them and the Agent and the Banks may release, modify or waive any Collateral provided by any other Person to secure any of the Secured Obligations, all without affecting the Agent's or any Bank's rights against any Grantor. Each Grantor waives any right it may have to require the Agent or any Bank to pursue any third Person for any of the Secured Obligations. The Agent and the Banks may comply with any applicable state or federal law requirements in connection with a disposition of the Collateral and compliance will not be considered adversely to affect the commercial reasonableness of any sale of the Collateral. The Agent may sell the Collateral without giving any warranties as to the Collateral. The Agent may specifically disclaim any warranties of title or the like. This procedure will not be considered adversely to affect the commercial reasonableness of any sale of the Collateral. If the Agent sells any of the Collateral upon credit, the Grantors will be credited only with payments actually made by the purchaser, received by the Agent and applied to the indebtedness of the purchaser. In the event the purchaser fails to pay for the Collateral, the Agent may resell the Collateral and the relevant Grantor shall be credited with the proceeds of the sale.

(vii) The Agent may withdraw (or cause to be withdrawn) any and all funds from any Deposit Accounts or securities accounts; provided that, prior to an Event of Default, upon the receipt by the Agent of a notice of termination of any Control Agreement by the financial institution party to such Control Agreement, the Agent may deliver a notice of exclusive control to the financial institution party to such Control Agreement and/or direct the disposition of the funds in such Deposit Account if, at the time such Control Agreement is terminated, such Grantor has not transferred such funds to a Deposit Account subject to another Control Agreement.



(b) License. For the purpose of enabling the Agent to exercise its rights and remedies under this Section 10 or otherwise in connection with this Agreement, each Grantor hereby grants to the Agent an irrevocable, non-exclusive and assignable license (exercisable without payment or royalty or other compensation to such Grantor) to use, license or sublicense any Intellectual Property Collateral.

(c) Proceeds Account. To the extent that any of the Secured Obligations may be contingent, unmatured or unliquidated (including with respect to undrawn amounts under the Letters of Credit) at such time as there may exist an Event of Default, the Agent may, at its election, (i) retain the proceeds of any sale, collection, disposition or other realization upon the Collateral (or any portion thereof) in a special purpose non-interest-bearing restricted deposit account (the "Proceeds Account") created and maintained by the Agent for such purpose (which shall constitute a Deposit Account included within the Collateral hereunder) until such time as the Agent may elect to apply such proceeds to the Secured Obligations, and each Grantor agrees that such retention of such proceeds by the Agent shall not be deemed strict foreclosure with respect thereto; (ii) in any manner reasonably elected by the Agent, estimate the liquidated amount of any such contingent, unmatured or unliquidated claims and apply the proceeds of the Collateral against such amount; or (iii) otherwise proceed in any manner permitted by applicable law. Each Grantor agrees that the Proceeds Account shall be a blocked account and that upon the irrevocable deposit of funds into the Proceeds Account, such Grantor shall not have any right of withdrawal with respect to such funds. Accordingly, each Grantor irrevocably waives until the termination of this Agreement in accordance with Section 26 the right to make any withdrawal from the Proceeds Account and the right to instruct the Agent to honor drafts against the Proceeds Account.

(d) Application of Proceeds. Subject to subsection (c), the cash proceeds actually received from the sale or other disposition or collection of any Grantor's Collateral, and any other amounts received in respect of such Collateral the application of which is not otherwise provided for herein, shall be applied as provided in Sections 5.01, 5.06 and 7.02(d) of the Credit Agreement. Any surplus thereof which exists after payment and performance in full of the Secured Obligations and any required cash-collateralization of the outstanding Letters of Credit shall be promptly paid over to such Grantor or otherwise disposed of in accordance with the UCC or other applicable law. Each Grantor shall remain liable to the Agent, the Issuing Bank and the Banks for any deficiency which exists after any sale or other disposition or collection of Collateral.

SECTION 11 Certain Waivers. Each Grantor waives, to the fullest extent permitted by law, (i) any right of redemption with respect to the Collateral, whether before or after sale hereunder, and all rights, if any, of marshalling of the Collateral or other collateral or security for the Secured Obligations; (ii) any right to require the Agent, the Issuing Bank or the Banks (a) to proceed against any Person, (b) to exhaust any other collateral or security for any of the Secured Obligations, (c) to pursue any remedy in the Agent's, the Issuing Bank's or any of the Banks' power, or (d) to make or give any presentments, demands for performance, notices of nonperformance, protests, notices of protests or notices of dishonor in connection with any of the Collateral; and (iii) all claims, damages, and demands against the Agent, the Issuing Bank or the

Banks arising out of the repossession, retention, sale or application of the proceeds of any sale of the Collateral.

SECTION 12 Notices. All notices or other communications hereunder shall be given in the manner and to the addresses specified in the Subsidiary Guaranty. All such notices and other communications shall be deemed to be delivered when a record (within the meaning of the UCC) has been (i) delivered by hand; (ii) sent by mail, upon the earlier of the date of receipt or five Business Days after deposit in the mail, first class (or air mail, with respect to communications sent to or from the United States); (iii) sent by facsimile transmission, or (iv) sent by email.

SECTION 13 No Waiver; Cumulative Remedies. No failure on the part of the Agent, the Issuing Bank or any Bank to exercise, and no delay in exercising, any right, remedy, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, remedy, power or privilege preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights and remedies under this Agreement are cumulative and not exclusive of any rights, remedies, powers and privileges that may otherwise be available to the Agent, the Issuing Bank or any Bank.

SECTION 14 Costs and Expenses; Indemnification; Other Charges.

(a) Costs and Expenses. Each Grantor agrees to pay on demand:

(i) the reasonable out-of-pocket costs and expenses of the Agent and any of its Affiliates, and the reasonable fees and disbursements of counsel to the Agent (including allocated costs of internal counsel), in connection with the negotiation, preparation, execution, delivery and administration of this Agreement, and any amendments, modifications or waivers of the terms thereof, and the custody of the Collateral;

(ii) all title, appraisal (including the allocated costs of internal appraisal services), survey, audit, consulting, search, recording, filing and similar fees, costs and expenses incurred or sustained by the Agent or any of its Affiliates in connection with this Agreement or the Collateral; and

(iii) all costs and expenses of the Agent, its Affiliates, the Issuing Bank and the Banks, and the fees and disbursements of counsel (including the allocated costs of internal counsel), in connection with the enforcement or attempted enforcement of, and preservation of any rights or interests under, this Agreement, any out-of-court workout or other refinancing or restructuring or in any bankruptcy case, and the protection, sale or collection of, or other realization upon, any of the Collateral, including all expenses of taking, collecting, holding, sorting, handling, preparing for sale, selling, or the like, and other such expenses of sales and collections of Collateral, and any and all losses, costs and expenses sustained by the Agent, the Issuing Bank and any Bank as a result of any failure by such Grantor to perform or observe its obligations contained herein.

(b) Indemnification. Each Grantor hereby jointly and severally agrees to indemnify the Agent, the Issuing Bank and each Bank, any Affiliate thereof, and their respective directors, officers, employees, agents, counsel and other advisors (each an "Indemnified Person") against,

and hold each of them harmless from, any and all liabilities, obligations, losses, claims, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever, including the reasonable fees and disbursements of counsel to an Indemnified Person, which may be imposed on or incurred by any Indemnified Person, or asserted against any Indemnified Person by any third party or by any Grantor or the Borrower, in any way relating to or arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement or any agreement or instrument contemplated hereby, the performance by the parties hereto of their respective obligations hereunder or thereunder, the transactions contemplated hereby or the Collateral or (ii) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by any Grantor or the Borrower (the “Indemnified Liabilities”); provided that no Grantor shall be liable to any Indemnified Person for any portion of such Indemnified Liabilities to the extent they are found by a final decision of a court of competent jurisdiction to have resulted from such Indemnified Person’s gross negligence or willful misconduct. If and to the extent that the foregoing indemnification is for any reason held unenforceable, each Grantor agrees to make the maximum contribution to the payment and satisfaction of each of the Indemnified Liabilities which is permissible under applicable law.

(c) Other Charges. Each Grantor agrees to indemnify the Agent, the Issuing Bank and each of the Banks against and hold each of them harmless from any and all present and future stamp, transfer, documentary and other such taxes, levies, fees, assessments and other charges made by any jurisdiction by reason of the execution, delivery, performance and enforcement of this Agreement other than any such taxes relating solely to the income of the Agent or any Bank.

(d) Interest. Any amounts payable to the Agent, the Issuing Bank or any Bank under this Section 14 or otherwise under this Agreement if not paid upon demand shall bear interest from the date of such demand until paid in full, at the rate of interest set forth in Section 4.02 of the Credit Agreement.

SECTION 15 Binding Effect. This Agreement shall be binding upon, inure to the benefit of and be enforceable by each Grantor, the Agent, the Issuing Bank and each Bank and their respective successors and assigns and shall bind any Person who becomes bound as a debtor to this Agreement.

SECTION 16 Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK, EXCEPT AS REQUIRED BY MANDATORY PROVISIONS OF LAW AND TO THE EXTENT THE VALIDITY OR PERFECTION OF THE SECURITY INTERESTS HEREUNDER, OR THE REMEDIES HEREUNDER, IN RESPECT OF ANY COLLATERAL ARE GOVERNED BY THE LAW OF A JURISDICTION OTHER THAN NEW YORK.

SECTION 17 Submission to Jurisdiction. EACH GRANTOR HEREBY (A) SUBMITS TO THE NON-EXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK AND THE FEDERAL COURTS OF THE UNITED STATES SITTING IN THE SOUTHERN DISTRICT OF NEW YORK FOR THE PURPOSE OF ANY ACTION OR

PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT, (B) AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH COURTS, (C) IRREVOCABLY WAIVES (TO THE EXTENT PERMITTED BY APPLICABLE LAW) ANY OBJECTION WHICH IT NOW OR HEREAFTER MAY HAVE TO THE LAYING OF VENUE OF ANY SUCH ACTION OR PROCEEDING BROUGHT IN ANY OF THE FOREGOING COURTS, AND ANY OBJECTION ON THE GROUND THAT ANY SUCH ACTION OR PROCEEDING IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM AND (D) 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 PERMITTED BY LAW.

SECTION 18 Waiver of Jury Trial. EACH GRANTOR AND THE AGENT HEREBY AGREE TO WAIVE THEIR RESPECTIVE RIGHTS TO A TRIAL BY JURY OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF OR RELATED TO THIS AGREEMENT IN ANY ACTION, PROCEEDING OR OTHER LITIGATION OF ANY TYPE BROUGHT BY ANY OF THE PARTIES AGAINST ANY OTHER PARTY OR PARTIES, WHETHER WITH RESPECT TO CONTRACT CLAIMS, TORT CLAIMS, OR OTHERWISE. EACH GRANTOR AND THE AGENT HEREBY AGREE THAT ANY SUCH CLAIM OR CAUSE OF ACTION SHALL BE TRIED BY A COURT TRIAL WITHOUT A JURY. WITHOUT IN ANY WAY LIMITING THE FOREGOING, THE PARTIES FURTHER AGREE THAT THEIR RESPECTIVE RIGHT TO A TRIAL BY JURY IS WAIVED BY OPERATION OF THIS SECTION AS TO ANY ACTION, COUNTERCLAIM, OR OTHER PROCEEDING WHICH SEEKS, IN WHOLE OR IN PART, TO CHALLENGE THE VALIDITY OR ENFORCEABILITY OF THIS AGREEMENT OR ANY PROVISION HEREOF. THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT. A COPY OF THIS SECTION 18 MAY BE FILED WITH ANY COURT AS WRITTEN EVIDENCE OF THE WAIVER OF THE RIGHT TO TRIAL BY JURY AND CONSENT TO TRIAL BY COURT. THIS SECTION 18 MAY NOT BE AMENDED, MODIFIED, TERMINATED OR WAIVED EXCEPT BY A WRITING WHICH MAKES SPECIFIC REFERENCE TO THIS SECTION 18.

IN THE EVENT ANY LEGAL PROCEEDING IS FILED IN A COURT OF THE STATE OF CALIFORNIA (THE "COURT") BY OR AGAINST ANY PARTY IN CONNECTION WITH ANY CONTROVERSY, DISPUTE OR CLAIM DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE OTHER LOAN DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY) (EACH, A "CLAIM") AND THE WAIVER SET FORTH IN THE PRECEDING PARAGRAPH IS NOT ENFORCEABLE IN SUCH ACTION OR PROCEEDING, THE PARTIES HERETO AGREE AS FOLLOWS:

(1) WITH THE EXCEPTION OF THE MATTERS SPECIFIED IN SUBPARAGRAPH 2 BELOW, ANY CLAIM WILL BE RESOLVED BY A GENERAL REFERENCE PROCEEDING IN ACCORDANCE WITH THE PROVISIONS OF CALIFORNIA CODE OF CIVIL PROCEDURE SECTIONS 638 THROUGH 645.1.

(2) THE FOLLOWING MATTERS SHALL NOT BE SUBJECT TO A REFERENCE PROCEEDING: (A) NON-JUDICIAL FORECLOSURE OF ANY SECURITY INTERESTS IN REAL OR PERSONAL PROPERTY, (B) EXERCISE OF SELF-HELP REMEDIES (INCLUDING SET-OFF), (C) APPOINTMENT OF A RECEIVER AND (D) TEMPORARY, PROVISIONAL OR ANCILLARY REMEDIES (INCLUDING WRITS OF ATTACHMENT, WRITS OF POSSESSION, TEMPORARY RESTRAINING ORDERS OR PRELIMINARY INJUNCTIONS). THIS AGREEMENT DOES NOT LIMIT THE RIGHT OF ANY PARTY TO EXERCISE OR OPPOSE ANY OF THE RIGHTS AND REMEDIES DESCRIBED IN THE FOREGOING CLAUSES (A) - (D) AND ANY SUCH EXERCISE OR OPPOSITION DOES NOT WAIVE THE RIGHT OF ANY PARTY TO A REFERENCE PROCEEDING PURSUANT TO THIS AGREEMENT.

(3) UPON THE WRITTEN REQUEST OF ANY PARTY, THE PARTIES SHALL SELECT A SINGLE REFEREE, WHO SHALL BE A RETIRED JUDGE OR JUSTICE. IF THE PARTIES DO NOT AGREE UPON A REFEREE WITHIN TEN DAYS OF SUCH WRITTEN REQUEST, THEN, ANY PARTY MAY REQUEST THE COURT TO APPOINT A REFEREE PURSUANT TO CALIFORNIA CODE OF CIVIL PROCEDURE SECTION 640(B). A REQUEST FOR APPOINTMENT OF A REFEREE MAY BE HEARD ON AN EX PARTE OR EXPEDITED BASIS, AND THE PARTIES AGREE THAT IRREPARABLE HARM WOULD RESULT IF EX PARTE RELIEF IS NOT GRANTED.

(4) ALL PROCEEDINGS AND HEARINGS CONDUCTED BEFORE THE REFEREE, EXCEPT FOR TRIAL, SHALL BE CONDUCTED WITHOUT A COURT REPORTER, EXCEPT WHEN ANY PARTY SO REQUESTS, A COURT REPORTER WILL BE USED AND THE REFEREE WILL BE PROVIDED A COURTESY COPY OF THE TRANSCRIPT. THE PARTY MAKING SUCH REQUEST SHALL HAVE THE OBLIGATION TO ARRANGE FOR AND PAY COSTS OF THE COURT REPORTER, PROVIDED THAT SUCH COSTS, ALONG WITH THE REFEREE'S FEES, SHALL ULTIMATELY BE BORNE BY THE PARTY WHO DOES NOT PREVAIL, AS DETERMINED BY THE REFEREE.

(5) THE REFEREE SHALL APPLY THE RULES OF DISCOVERY AND EVIDENCE APPLICABLE TO PROCEEDINGS AT LAW IN THE STATE OF CALIFORNIA TO THE REFERENCE PROCEEDING AND SHALL DETERMINE ALL ISSUES IN ACCORDANCE WITH APPLICABLE LAW. THE REFEREE SHALL BE EMPOWERED TO ENTER EQUITABLE AS WELL AS LEGAL RELIEF AND RULE ON ANY MOTION WHICH WOULD BE AUTHORIZED IN A TRIAL, INCLUDING MOTIONS FOR DEFAULT JUDGMENT OR SUMMARY JUDGMENT. THE

REFEREE SHALL REPORT HIS DECISION, WHICH REPORT SHALL ALSO INCLUDE FINDINGS OF FACT AND CONCLUSIONS OF LAW.

SECTION 19 Limitation on Liability. No claim shall be made by any party hereto for any special, indirect, exemplary, consequential or punitive damages in respect of any breach or wrongful conduct (whether or not the claim therefor is based on contract, tort or duty imposed by law), in connection with, arising out of or in any way related to the transactions contemplated by this Agreement or any act or omission or event occurring in connection therewith; and each party hereto hereby waives, releases and agrees not to sue upon any such claim for any such damages, whether or not accrued and whether or not known or suspected to exist in its favor.

SECTION 20 Entire Agreement; Amendment. This Agreement contains the entire agreement of the parties with respect to the subject matter hereof and shall not be amended except by the written agreement of the parties as provided in the Subsidiary Guaranty.

SECTION 21 Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under all applicable laws and regulations. If, however, any provision of this Agreement shall be prohibited by or invalid under any such law or regulation in any jurisdiction, it shall, as to such jurisdiction, be deemed modified to conform to the minimum requirements of such law or regulation, or, if for any reason it is not deemed so modified, it shall be ineffective and invalid only to the extent of such prohibition or invalidity without affecting the remaining provisions of this Agreement, or the validity or effectiveness of such provision in any other jurisdiction.

SECTION 22 Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute but one and the same agreement.

SECTION 23 Incorporation of Provisions of the Guaranty. To the extent the Subsidiary Guaranty contains provisions of general applicability to the Guarantor Documents, such provisions are incorporated herein by this reference.

SECTION 24 No Inconsistent Requirements. Each Grantor acknowledges that this Agreement and the other Guarantor Documents may contain covenants and other terms and provisions variously stated regarding the same or similar matters, and agrees that all such covenants, terms and provisions are cumulative and all shall be performed and satisfied in accordance with their respective terms.

SECTION 25 Future Subsidiaries. At such time following the date hereof as any Person (an "Acceding Grantor") is required to accede to the Subsidiary Guaranty and to accede hereto pursuant to the terms of Section 10.03(m) of the Credit Agreement, such Acceding Grantor shall execute and deliver to the Agent an accession agreement substantially in the form of Annex 1 (the "Accession Agreement"), signifying its agreement to be bound by the provisions of this Agreement as a Grantor to the same extent as if such Acceding Grantor had originally executed this Agreement as of the date hereof.

SECTION 26 Termination. Upon the termination of the Commitments of the Banks, the surrender of the Letters of Credit and payment and performance in full of all Secured Obligations, the security interests created by this Agreement shall automatically terminate and the Agent shall promptly execute and deliver to each Grantor such documents and instruments reasonably requested by such Grantor as shall be necessary to evidence termination of all security interests given by such Grantor to the Agent hereunder.

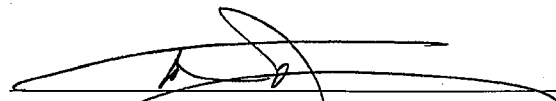
SECTION 27 Amendment and Restatement. This Agreement amends, restates and replaces the Existing Guarantor Security Agreement in full, without novation.

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

THE GRANTORS:


GUIDING LIGHT PLASTICS LLC,  
a Delaware limited liability company

By

  
Name: Walter Wang  
Title: Manager

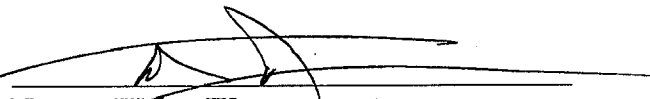
J-M ACQUISITION CORP.,  
a Delaware corporation

By

  
Name: Walter Wang  
Title: President

USPOLY COMPANY, LLC,  
a Minnesota limited liability company

By

  
Name: Walter Wang  
Title: President and Chief Executive Officer

S-1.

[Amended and Restated Guarantor Security Agreement]

[1.10]

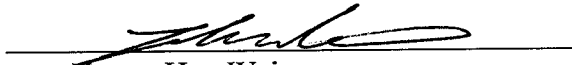
sf-2425401

TRADEMARK  
REEL: 003684 FRAME: 0783



THE AGENT:

MEGA INTERNATIONAL COMMERCIAL  
BANK CO., LTD., SILICON VALLEY  
BRANCH (successor by merger to Chiao Tung  
Bank, Silicon Valley Branch), as Agent

By: 

Name: Kuang Hua Wei

Title: Senior Vice President and  
General Manager

S-2.

[Amended and Restated Guarantor Security Agreement]  
[1.10]  
sf-2425401

**TRADEMARK**  
**REEL: 003684 FRAME: 0784**

SCHEDULE 1

LOCATIONS OF CHIEF EXECUTIVE OFFICE, REAL PROPERTY, LEASED  
PROPERTY AND OTHER LOCATIONS, INCLUDING OF COLLATERAL

Chief Executive Office:

USPoly Company, LLC: 9 Peach Tree Hill Road, Livingston, NJ 07039

Guiding Light Plastics LLC: 9 Peach Tree Hill Road, Livingston, NJ 07039

J-M Acquisition Corp.: 9 Peach Tree Hill Road, Livingston, NJ 07039

Leased Locations:

USPoly Company, LLC Leased Properties	Landlord	Plant Location
Hastings, Nebraska Plant 4 (Warehouse)	Continental Hastings LLC (PW Poly Corp. as lessee)	116 North Woodland, Hastings, NE, 68901
Hastings, Nebraska Plant 5 (Shipping Office)	Continental Hastings LLC (PW Poly Corp. as lessee)	120 North Woodland, Hastings, NE, 68901
Hastings, Nebraska Plant 6 (Warehouse)	Continental Hastings LLC (PW Poly Corp. as lessee)	145 Maple Avenue, Hastings, NE, 68901
Tulsa, Oklahoma Plant	Uponor Aldyl Co, Inc. (PW Poly Corp. as lessee)	4901 West 49th Street, Tulsa, OK, 74135

Inventory Stored with Warehousemen or on Leased Premises, Etc.:

USPoly Company, LLC Collateral	Landlord	Address
Hastings, Nebraska Plant 3 (Quality Control Office)	Kathleen Anderson	1933 West Second Street, Hastings, NE, 68901

SUBSIDIARY GUARANTOR SECURITY AGREEMENT  
SCHEDULE 1-1.

LAS99 1531280-2.076545.0013

**TRADEMARK**  
**REEL: 003684 FRAME: 0785**

Hastings, Nebraska Plant 6 (Warehouse)	Continental Hastings LLC (PW Poly Corp. as lessee)	145 Maple Avenue, Hastings, NE, 68901
Tulsa, Oklahoma Plant	Uponor Aldyl Co, Inc. (PW Poly Corp. as lessee)	4901 West 49th Street, Tulsa, OK, 74135
Conroe, Texas Plant	Sublessor, David Bolger Revocable Trust	101 East Avenue M, Conroe, TX 77301
Hastings, Nebraska Plant 1 (Warehouse)	Westland Homes Corporation and Pauley Family Trust (PW Poly Corp as lessee)	136-140 Chestnut, Hastings, NE, 68901
Hastings, Nebraska Plant 4 (Warehouse)	Continental Hastings LLC (PW Poly Corp. as lessee)	116 North Woodland, Hastings, NE, 68901
Hastings, Nebraska Plant 5 (Shipping Office)	Continental Hastings LLC (PW Poly Corp. as lessee)	120 North Woodland, Hastings, NE, 68901
Hastings Nebraska Plant 7 (Warehouse)	Four Star Storage	Four Star Storage Buildings 18, 19, 20 Industrial Park East, Hastings, NE, 68901
Hastings Nebraska Plant 8	Bonnavilla Plaza Corporation	Bonnavilla Plaza Hastings, NE, 68901

Inactive Properties:

Borrower Party	Name of Plant	Address	Status of Plant
USPoly Company, LLC	Baker City, OR	600 David Eccles Rd, Baker City, OR 97814	Inactive

LOCATION OF BOOKS PERTAINING TO RIGHTS TO PAYMENT

USPoly Company, LLC: 9 Peach Tree Hill Road, Livingston, NJ 07039

Guiding Light Plastics LLC: 9 Peach Tree Hill Road, Livingston, NJ 07039

J-M Acquisition Corp.: 9 Peach Tree Hill Road, Livingston, NJ 07039

SUBSIDIARY GUARANTOR SECURITY AGREEMENT  
SCHEDULE 1-2.

LAS99 1531280-2.076545.0013

**TRADEMARK**  
**REEL: 003684 FRAME: 0786**

JURISDICTION OF ORGANIZATION

USPoly Company, LLC: Minnesota

Guiding Light Plastics LLC: Delaware

J-M Acquisition Corp.: Delaware

TRADE NAMES AND TRADE STYLES; OTHER CORPORATE, TRADE OR  
FICTITIOUS NAMES; ETC.

Current Trade Names or a Former d/b/a:

USPoly Company, LLC: JM Eagle

Guiding Light Plastics LLC: JM Eagle

J-M Acquisition Corp.: JM Eagle

Former Names or Former d/b/a since September 30, 2002:

USPoly Company, LLC: PW Poly Corp., Poly Merger LLC

Guiding Light Plastics LLC: None

J-M Acquisition Corp.: None

PATENTS, COPYRIGHTS, TRADEMARKS, ETC.

Part I, Patents

LOAN PARTY	PUBLICATION NUMBER/REGISTRATION NUMBER/APPLICATION NUMBER	TITLE	PUBLICATION DATE/FILING DATE/ISSUE DATE
USPoly Company, LLC	US 5,388,873	Coupling device useful for joining or capping plastic pipe	2/14/1995 (issued)
	US 6,237,963	Service Riser	5/29/2001

SUBSIDIARY GUARANTOR SECURITY AGREEMENT  
SCHEDULE 1-3.

LAS99 1531280-2.076545.0013


**TRADEMARK  
REEL: 003684 FRAME: 0787**

			(issued)
	US 6,382,679	Meter Loop Frame Assembly	5/7/2002 (issued) (Expired due to failure to pay maintenance fee)
	US 6,668,644	Adjustable Meter Loop Assembly	12/30/2003 (issued)

Guiding Light Plastics LLC: None

J-M Acquisition Corp.: None

Part II, Trademarks

LOAN PARTY	COUNTRY	APP. NO. OR REG. NO.	MARK	APP. DATE/ REG. DATE
USPoly Company, LLC	Registered (United States)	2,900,313	ULTRA-STRIPE	11/2/2004
	Registered (United States)	3,088,545	USPOLY and Design 	5/2/2006
	Registered (United States)	1,559,008	GREEN STRIPE DESIGN MARK	10/03/1989
	Registered (United States)	1,526,900	PURE-CORE	02/28/1989
	Registered (United States)	1,640,478	TRI-STRIPE	04/09/1991
	Registered (United States)	1,760,686	METFIT	03/23/1993

(a)

Guiding Light Plastics LLC: None

J-M Acquisition Corp.: None

SUBSIDIARY GUARANTOR SECURITY AGREEMENT  
SCHEDULE 1-4.

LAS99 1531280-2.076545.0013

**TRADEMARK**  
**REEL: 003684 FRAME: 0788**

Part III, Copyrights:

USPoly Company, LLC: None

Guiding Light Plastics LLC: None

J-M Acquisition Corp.: None

LEASED EQUIPMENT

PW EAGLE, INC. AND USPOLY COMPANY, LLC.:

<u>Lessor and Lease Terms</u>	<u>Leased Equipment</u>
Eakes Office Plus 5/04 – 5/08 lease	Copiers: 200-7009-950-54451-0000 at Hastings
Pitney Bowes 6/02 – 6/06 lease	Postage Machine at Cameron Park
Pitney Bowes 6/06 – 6/10 lease	Postage Machine at Cameron Park
Pitney Bowes 4/04 – 9/09 lease	Postage Machine at Visalia
Pitney Bowes 1/05 – 7/10 lease	Postage Machine at Tacoma
Pitney Bowes 11/04 – 5/09 lease	Postage Machine at Don Yonts
Neopost 4/05 – 4/08 lease	Postage Meter at Corporate
Missouri First Leasing 6/04 – 6/09 lease	Savin 4035 Digital Copier at Columbia
Missouri First Leasing 1/05 – 1/10 lease	Savin 3515 Copier/Fax at Columbia
Citicorp Vendor Finance 5/02 – 5/07 lease	G30E Daewoo Lift Truck at Buchannon
Portman Equipment 8/01 – 8/06 lease	M240CP KD Manitou Truck at Buchannon
Greater Bay Capital 4/04 – 4/09 lease	Sellick Forklift at Buchannon
Citicorp Leasing 8/03 – 8/08 lease	Noble Forklift at Columbia
Citicorp Leasing 6/03 – 6/06 lease	GP40KLP Caterpillar Forklift

SUBSIDIARY GUARANTOR SECURITY AGREEMENT  
SCHEDULE 1-5.

LAS99 1531280-2.076545.0013

**TRADEMARK**  
**REEL: 003684 FRAME: 0789**

Rapid Ways Truck 9/03 – 9/09 lease	2004 Freightliner at Columbia
Rapid Ways Truck 9/04 – 9/09 lease	2004 Kalyn Trailer
Pitney Bowes Credit 12/01 – 9/06 lease	Model 3K00 Postage Scale at Columbia
Inter-Tel Leasing 7/04 – 7/09 lease	Phone System at Columbia
Penske Truck Leasing 11/01 – 11/06	2002 Frtliner FLD12064ST at Conroe
Penske Truck Leasing 11/01 – 11/06	1995 Heil Bulk Trl 1600V at Conroe
NMHG Financial Services 7/03 – 10/06 lease	M240CP Manitou Truck at Conroe
NMHG Financial Services 1/03 – 1/06 lease	H50XM Truck at Conroe
NMHG Financial Services 1/03 – 1/06 lease	H50XM Truck at Conroe
NMHG Financial Services 1/03 – 1/06 lease	H50XM Truck at Conroe
Ronald Pohl 2/04 – 1/07 lease	Denver Office
IKON 4/04 -4/09 lease	Copiers: 200-7900-950-68459-0000 at Corp.
IKON 4/04 -4/09 lease	Copiers: 200-7900-950-68459-0000 at Corp.
IKON 11/06 -11/11 lease	Copiers: 200-7900-950-68459-0000 at Corp.
IKON 5/04 – 5/09 lease	Fax Machines: 200-7900-950-68459-0000 at Corp
GMAC 9/03 – 9/07	2004 Chev. – Fitts: 200-7900-908-67459-0000 at Corp.

Guiding Light Plastics LLC: None

J-M Acquisition Corp.: None

SUBSIDIARY GUARANTOR SECURITY AGREEMENT  
SCHEDULE 1-6.

LAS99 1531280-2.076545.0013

**TRADEMARK**  
**REEL: 003684 FRAME: 0790**

INVESTMENT PROPERTY, DEPOSIT ACCOUNTS AND SECURITIES ACCOUNTS

Loan Party	Institution Maintaining Account	Address and Contact Name
USPoly Company, LLC	Bank of America	New Haven, CT Account # 3851289705
	Bank of America	New Haven, CT Account # 224 000 0733

Guiding Light Plastics LLC: None

J-M Acquisition Corp.: None

INSTRUMENTS AND CHATTEL PAPER

USPoly Company, LLC: None

Guiding Light Plastics LLC: None

J-M Acquisition Corp.: None

COMMERCIAL TORT CLAIMS

USPoly Company, LLC: None

Guiding Light Plastics LLC: None

J-M Acquisition Corp.: None

LETTER-OF-CREDIT RIGHTS

USPoly Company, LLC: None

Guiding Light Plastics LLC: None

J-M Acquisition Corp.: None

SUBSIDIARY GUARANTOR SECURITY AGREEMENT  
SCHEDULE 1-7.

LAS99 1531280-2.076545.0013

**TRADEMARK**  
**REEL: 003684 FRAME: 0791**



PLEDGED SHARES, PARTNERSHIP AND LLC COLLATERAL

Grantor	Name of Pledged Company	Jurisdiction of Organization	Number of Shares/ Units	Class of Interests	Percentage of Class Owned	Percentage of Class Pledged	Certificate Nos.
Guiding Light Plastics LLC	Plastics Technology de Mexico	Mexico	N/A	N/A	51%	33.15%	N/A

Other Investment Property

USPoly Company, LLC: None

Guiding Light Plastics LLC: None

J-M Acquisition Corp.: None

SUBSIDIARY GUARANTOR SECURITY AGREEMENT  
SCHEDULE 1-8.

LAS99 1531280-2.076545.0013

**RECORDED: 12/26/2007**

**TRADEMARK  
REEL: 003684 FRAME: 0792**