

**TRADEMARK ASSIGNMENT**

Electronic Version v1.1  
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<b>SUBMISSION TYPE:</b>	NEW ASSIGNMENT		
<b>NATURE OF CONVEYANCE:</b>	SECURITY INTEREST		
<b>CONVEYING PARTY DATA</b>			
<b>Name</b>	<b>Formerly</b>	<b>Execution Date</b>	<b>Entity Type</b>
Morneau Sobeco, Inc.		06/02/2008	CORPORATION:
<b>RECEIVING PARTY DATA</b>			
<b>Name:</b>	National Bank of Canada, as Administrative Agent		
<b>Street Address:</b>	130 King Street West, Suite 3100		
<b>City:</b>	Toronto		
<b>State/Country:</b>	CANADA		
<b>Postal Code:</b>	M5X 1J3		
<b>Entity Type:</b>	Bank:		
<b>PROPERTY NUMBERS Total: 1</b>			
<b>Property Type</b>	<b>Number</b>	<b>Word Mark</b>	
<b>Registration Number:</b>	2062951	POWERFLEX	
<b>CORRESPONDENCE DATA</b>			
<b>Fax Number:</b>	(202)408-3141		
	<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>		
<b>Phone:</b>	800-927-9801 x2348		
<b>Email:</b>	jpaterso@cscinfo.com		
<b>Correspondent Name:</b>	Corporation Service Company		
<b>Address Line 1:</b>	1090 Vermont Avenue NW, Suite 430		
<b>Address Line 2:</b>	Attn: Jean Paterson		
<b>Address Line 4:</b>	Washington, DISTRICT OF COLUMBIA 20005		
<b>ATTORNEY DOCKET NUMBER:</b>	646652		
<b>DOMESTIC REPRESENTATIVE</b>			
<b>Name:</b>			
<b>Address Line 1:</b>			
<b>Address Line 2:</b>			

CH \$40.00 2062951

Address Line 3:

Address Line 4:

NAME OF SUBMITTER:	Jean Paterson
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Signature:	/Jean Paterson/
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Date:	07/15/2008
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**Total Attachments: 41**

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## SECURITY AGREEMENT

SECURITY AGREEMENT (this "**Agreement**"), dated as of June 2, 2008 among:

- (i) **MORNEAU SOBECO, LTD.**, a corporation organized under the laws of the State of Delaware ("**Morneau**")
- (ii) Each other direct Subsidiary of the Borrower (as hereinafter defined) that may become a Debtor hereunder from time to time pursuant to Section 29 (each, a "**New Debtor**"); and
- (iii) **NATIONAL BANK OF CANADA**, a chartered bank incorporated under the laws of Canada, on its own behalf as lender and as agent (together with its successors and permitted assigns, the "**Agent**") for itself and certain financial institutions and other entities from time to time party to the Credit Agreement referred to below, as lenders (the "**Lenders**").

The Persons listed in clauses (i) and (ii) above shall be collectively referred to herein as the "**Debtors**" and individually as a "**Debtor**". The Agent and the Lenders shall be collectively referred to herein as the "**Creditors**" and individually as a "**Creditor**".

### RECITALS

A. The Agent and/or the Lenders have made, and may from time to time make, certain loans and other financial accommodations to Morneau Sobeco Group Limited Partnership (the "**Borrower**") under the credit agreement dated as of the date hereof between the Agent, the Lenders, the Borrower and the other Loan Parties party thereto (as amended, restated or otherwise modified from time to time, the "**Credit Agreement**").

B. Concurrently herewith, Morneau is executing and delivering a Guarantee of even date herewith (as amended, restated or otherwise modified from time to time the "**Guarantee**"), pursuant to which Morneau is irrevocably and unconditionally guaranteeing the payment and performance in full when due of all of the Guaranteed Obligations specified therein.

C. In connection with making the loans and other financial accommodations to the Borrower and as a condition precedent thereto, the Agent and the Lenders require that the Debtors shall have executed and delivered this Agreement as security for and performance of the Obligations.

ACCORDINGLY, in consideration of the premises, and in order to induce the Lenders to make loans and other financial accommodations to the Borrower, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Debtors hereby agree with the Agent, for the benefit of the Creditors, as follows:

1. Defined Terms. (a) Capitalized terms that are defined in the Credit Agreement and are not otherwise defined herein have the respective meanings given to them in the Credit Agreement and, in addition, the following terms have the following meanings:

"**Agent**" has the meaning specified in the preamble.

"**Agreement**" has the meaning specified in the preamble.

"**Guarantee**" has the meaning specified in Recital B.

"**Capital Stock**" means common shares, preferred shares or other equivalent equity interests (howsoever designated) of capital stock of a body corporate, equity preferred or common interests in a limited liability company, limited or general partnership interests in a partnership or any other equivalent such ownership interest.

"**Chattel Paper**" means any "**chattel paper**", as such term is defined in the Uniform Commercial Code, now owned or hereafter acquired by any Debtor.

"**Collateral**" has the meaning specified in Section 2.

"**Commercial Tort Claims**" means any "commercial tort claims", as such term is defined in the Uniform Commercial Code, now existing and described in Schedule V hereto or hereafter arising and described in written notices delivered by any Debtor to the Agent from time to time.

"**Contract Rights**" means any right of a Debtor to payment under a Contract not yet earned by performance and not evidenced by an Instrument or Chattel Paper, now in existence or hereafter arising (including, without limitation, (a) all rights of such Debtor to receive moneys due and to become due to it thereunder or in connection therewith, (b) all rights of such Debtor to damages arising out of, or for, breach or default in respect thereof and (c) all rights of such Debtor to perform and to exercise all remedies thereunder).

"**Contracts**" means all contracts to which any Debtor is, or may at any time hereafter become, a party and all agreements and undertakings of any third parties in favor or for the benefit of any Debtor.

"**Copyright Licenses**" means any agreement, written or oral, naming any Debtor as licensor or licensee, granting any right to use any Copyright, now in existence or hereafter arising.

"**Copyrights**" means all of the following to the extent that any Debtor now has or hereafter acquires any right, title or interest therein: (i) all copyrights in all works, whether published or unpublished, now existing or hereafter created or acquired, all registrations and recordings thereof, and all applications in connection therewith, including, without limitation, registrations, recordings and applications in the United States Copyrights Office, and (ii) all renewals thereof.

"**Credit Agreement**" has the meaning specified in Recital A.

"**Creditor**" and "**Creditors**" have the respective meanings specified in the preamble.

"**Debtor**" and "**Debtors**" have the respective meanings specified in the preamble.

"**Deposit Account**" means any demand, time, savings, passbook or similar account, or any other "deposit account", as such term is defined in the Uniform Commercial Code, now or at any time hereafter maintained by any Debtor with a bank or other financial institution, including without limitation the deposit accounts listed in Schedule VI hereto.

**"Documents"** means any **"documents"**, as such term is defined in the Uniform Commercial Code, now owned or hereafter acquired by any Debtor.

**"Equipment"** means all machinery, equipment and furniture now owned or hereafter acquired by any Debtor or in which any Debtor now has or hereafter may acquire any right, title or interest, and any and all additions, substitutions and replacements thereof, wherever located, together with all attachments, components, parts, equipment and accessories installed therein or affixed thereto, including, but not limited to, all "equipment", as such term is defined in the Uniform Commercial Code.

**"Financial Asset"** means any **"financial asset"**, as such term is defined in the Uniform Commercial Code, now owned or hereafter acquired by any Debtor.

**"Fixtures"** means any **"fixture"**, as such term is defined in the Uniform Commercial Code, now owned or hereafter acquired by any Debtor.

**"General Intangibles"** means any **"general intangibles"**, as such term is defined in the Uniform Commercial Code, now owned or hereafter acquired by any Debtor.

**"Goods"** means any **"goods"**, as such term is defined in the Uniform Commercial Code, now owned or hereafter acquired by any Debtor.

**"Instrument"** means any **"instrument"**, as such term is defined in the Uniform Commercial Code, now owned or hereafter acquired by any Debtor.

**"Intellectual Property"** means, collectively, Patents, Patent Licenses, Trademarks, Trademark Licenses, Copyrights and Copyright Licenses.

**"Inventory"** means all inventory, wherever located, now owned or hereafter acquired by any Debtor or in which such Debtor now has or hereafter may acquire any right, title or interest, including, without limitation, all goods and other personal property now or hereafter owned by any Debtor which are held for sale or lease or are furnished or are to be furnished under a contract of service or which constitute raw materials, work in process or materials used or consumed or to be used or consumed in such Debtor's business, or in the processing, packaging or shipping of the same, and all finished goods, including, but not limited to, all **"inventory"** as such term is defined in the Uniform Commercial Code.

**"Investment Property"** means any **"investment property"**, as such term is defined in the Uniform Commercial Code, now owned or hereafter acquired by any Debtor.

**"Issuer"** means each issuer of Pledged Shares.

**"Leases"** means all leasehold interests now or at any time hereafter held by any Debtor.

**"Lenders"** has the meaning specified in the preamble.

**"Letter of Credit Rights"** means any Debtor's right to payment or performance under any letter of credit, whether now existing or hereafter issued, whether or not the beneficiary has demanded or is at the time entitled to demand payment or performance, including without limitation any "letter of credit right", as such term is defined in the Uniform Commercial Code, whether now existing or hereafter created and whether now owned or hereafter acquired by such Debtor.

**"Licenses"** and **"Licensing Agreements"** means the Patent Licenses, the Copyright Licenses and the Trademark Licenses.

**"New Debtor"** has the meaning specified in the preamble to this Agreement.

**"Obligations"** has the meaning given to it in the Credit Agreement.

**"Patent License"** means any agreement, written or oral, providing for the grant by or to any Debtor of any right to use any Patent, now in existence or hereafter arising.

**"Patents"** means (i) all patents and patent applications and the inventions and improvements described and claimed therein, and all patentable inventions, now owned or hereafter acquired or obtained by any Debtor, (ii) all registrations and recordings thereof, whether in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof or any other country or any political subdivision thereof, or otherwise, (iii) all reissues, divisions, continuations, renewals, extensions and continuations-in-part of any of the foregoing, (iv) all income, royalties, damages or payments now and hereafter due and/or payable under or with respect to any of the foregoing, including, without limitation, damages or payments for past or future infringements of any of the foregoing, (v) the right to sue for past, present and future infringements of any of the foregoing throughout the world, and (vi) all rights and obligations pursuant to any Patent License with respect thereto, whether such Debtor is a licensor or licensee under any such Patent License, and, subject to the terms of such licenses, such right to prepare for sale, sell and advertise for sale, all inventory now or hereafter owned by any Debtor and now or hereafter covered by such licenses.

**"Pledged Collateral"** means the Collateral described in Section 2(g) and the rights, titles and interest related thereto and described in such Section 2(g).

**"Pledged Shares"** means all of the shares of Capital Stock listed in Schedule III hereto.

**"Proceeds"** means (i) all **"proceeds"**, as such term is defined in the Uniform Commercial Code, and (ii) to the extent not included in such definition, (1) any and all proceeds of any insurance, indemnity, warranty, guaranty or letter of credit payable to any Debtor from time to time with respect to any of the Collateral, (2) all payments (in any form whatsoever) paid or payable to any Debtor from time to time in connection with any taking of all or any part of the Collateral by any Governmental Authority (or any Person acting under color of Governmental Authority), (3) all judgments in favor of any Debtor in respect of the Collateral, (4) any claim of any Debtor against third parties for past, present or future infringement or dilution of any Patent or Patent License, Trademark or Trademark License, Copyright or Copyright License and (5) all other amounts from time to time paid or payable or received or receivable under or in connection with any of the Collateral.

**"Receivables"** means all accounts receivable, book debts, notes, drafts, instruments, documents, acceptances and other forms of obligations now owned or hereafter received or acquired by or belonging or owing to any Debtor (including, without limitation, under any trade names, styles or divisions thereof), whether arising out of goods sold by such Debtor or services rendered by it or from any other transaction, whether or not the same involves the sale of goods or performance of services by such Debtor (including, without limitation, any such obligation which would be characterized as an account, general intangible or chattel paper under the Uniform Commercial Code) and all of such Debtor's rights in, to and under all purchase orders now owned or hereafter received or acquired by it for goods or services, and all of such Debtor's rights to any goods represented by any of the foregoing (including returned or repossessed goods and unpaid seller's rights) and all moneys due or to become due to any Debtor under all contracts for the sale of goods

and/or the performance of services by it (whether or not yet earned by performance) or in connection with any other transaction, now in existence or hereafter arising, including without limitation the right to receive the proceeds of said purchase orders and contracts, and all collateral security and guarantees of any kind given by any person or entity with respect to any of the foregoing.

**"Supporting Obligation"** means any "supporting obligation", as such term is defined in the Uniform Commercial Code, whether now existing or hereafter created and whether now owned or hereafter acquired by any Debtor.

**"Trademark Licenses"** means any agreement, written or oral, providing for the grant by or to any Debtor of any right to use any Trademark, now in existence or hereafter arising.

**"Trademarks"** means (i) all trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, logos and other source or business identifiers, and the goodwill associated therewith, now existing or hereafter adopted or acquired by any Debtor, all registrations and recordings thereof, and all applications in connection therewith, whether in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof or any other country or any political subdivision thereof, or otherwise, and (ii) all renewals thereof.

**"Uniform Commercial Code"** means the Uniform Commercial Code as in effect from time to time in the State of New York or, if the context expressly refers to another jurisdiction, the Uniform Commercial Code as in effect from time to time in such other jurisdiction.

**"Vehicles"** means all cars, trucks, trailers, construction and earth moving equipment and other vehicles covered by a certificate of title law of any state, in which any Debtor has or hereafter acquires any right, title or interest, and all tires and other appurtenances to any of the foregoing.

(a) Unless otherwise expressly specified herein, defined terms denoting the singular number shall, when in the plural form, denote the plural number of the matter or item to which such defined terms refer, and vice-versa.

(b) Words of the neuter gender mean and include correlative words of the masculine and feminine gender.

(c) The Section and Schedule headings used in this Agreement are for convenience only and shall not affect the construction or meaning of any provisions of this Agreement.

(d) Unless otherwise specified, the words "**hereof**", "**herein**", "**hereunder**" and other similar words refer to this Agreement as a whole and not just to the Section, subsection or clause in which they are used; and the words "**this Agreement**" refer to this Agreement as amended, modified or supplemented from time to time.

(e) Unless otherwise specified, references to the preamble, Sections, Recitals and Schedules are references to the preamble and Sections of, and Recitals and Schedules to, this Agreement.

2. Security Interest. As security for the due and punctual payment and performance of all of its Obligations, each Debtor hereby pledges and assigns as security to the Agent, for the

benefit of the Creditors, and hereby grants to the Agent, for the benefit of the Creditors, a first priority lien upon and a continuing first priority security interest in all of such Debtor's rights, title and interests in, to and under all personal property and fixtures of such Debtor, whether now owned or hereafter acquired and wherever located, and whether now existing or hereafter arising or created (all such property and assets are herein collectively called the "**Collateral**"), including, without limitation, the following:

- (a) all Receivables of such Debtor;
- (b) all Inventory of such Debtor;
- (c) all Equipment of such Debtor, including, without limitation, all Vehicles of such Debtor (excluding any Equipment subject to purchase money liens if the terms of the indebtedness secured by such liens expressly prohibit such Debtor from granting any lien thereon or security interest therein and any equipment subject to a capital lease which expressly prohibits such Debtor from granting any lien thereon or security interest therein);
- (d) all Contracts and Contract Rights of such Debtor (excluding any Contract that expressly prohibits such Debtor from granting any lien thereon or security interest therein);
- (e) all Instruments and Chattel Paper of such Debtor;
- (f) all General Intangibles of such Debtor, including, without limitation, all Intellectual Property of such Debtor;
- (g) all Investment Property and other Financial Assets of such Debtor, including, without limitation, (i) the Pledged Shares and (ii) all cash, instruments, securities or other property representing a dividend or other distribution on any of the Pledged Shares, or representing a distribution or return of capital upon or in respect of the Pledged Shares, or resulting from a split-up, revision, reclassification or other like change of the Pledged Shares or otherwise received in exchange therefor, (iv) any warrants, rights or options issued to the holders of, or otherwise in respect of, the Pledged Shares, and (v) in the event of any consolidation or merger of any Issuer in which such Issuer is not the surviving corporation, all shares of each class of the capital stock of the successor corporation formed by or resulting from such consolidation or merger (provided that nothing herein contained shall be deemed to constitute consent under, or waiver of, any provision of the Credit Agreement or any related instrument, agreement or other document which prohibits such consolidation or merger by any Issuer);
- (h) all Leases of such Debtor;
- (i) all Fixtures of such Debtor;



- (j) all Deposit Accounts of such Debtor;
- (k) all Letter of Credit Rights of such Debtor;
- (l) all Commercial Tort Claims of such Debtor;
- (m) all Supporting Obligations that may now or at any time hereafter support the payment or performance of any Receivable, General Intangible, Chattel Paper, Document, Instrument or Investment Property of such Debtor;
- (n) all books and records (including, without limitation, computer programs, tapes and related electronic data processing software) relating to such Debtor's Receivables, Inventory, Equipment, Contracts, Intellectual Property, Investment Property, Financial Assets, Deposit Accounts, Letter of Credit Rights, Commercial Tort Claims or other assets; and
- (o) to the extent not otherwise included, all cash and non-cash Proceeds and products of any of the foregoing.

3. Obligations Absolute.

(a) Each Debtor hereby agrees that this Agreement shall be binding upon such Debtor, and the grant to the Agent, for the benefit of the Creditors, of a security interest in the Collateral hereunder shall be irrevocable and unconditional, irrespective of the validity, legality or enforceability of the Credit Agreement or any other Document or any of the Obligations, the absence of any action to enforce the same, the waiver or consent by the Agent or any other Creditor with respect to any provision thereof, the recovery of any judgment against any other Person, or any action to enforce the same or any other similar circumstances. Each Debtor hereby waives diligence, presentment, demand of payment, filing of claims with a court in the event of merger or bankruptcy of such Debtor, any notice to require a proceeding first against any other Person, protest or notice with respect to any promissory note or evidence of indebtedness secured hereby or the indebtedness evidenced thereby and all demands whatsoever, and covenants that this Agreement will remain in full force and effect until the termination of the Credit Facilities under the Credit Agreement, the expiration or termination of all Bankers' Acceptances, Letters of Credit and Letters of Guarantee issued thereunder, and the payment in full of all of the Obligations.

(b) Each Debtor agrees that, without notice to or further assent by such Debtor, the liability of any other Person for or upon any of the Obligations may, from time to time, in whole or in part, be renewed, extended, modified, accelerated, compromised or released by any Creditor, as such Creditor may deem advisable, and that any of the Collateral, any other collateral for the Obligations, and any liens securing any of the Obligations may, from time to time, in whole or in part (subject, in the case of the Collateral, to the provisions of this Agreement), be exchanged, sold or surrendered by the Agent or any other Creditor, as the Agent or such other Creditor may deem

advisable, all without impairing, abridging, affecting or diminishing this Agreement or the rights of the Agent or any other Creditor hereunder or with respect to the Collateral.

4. Representations and Warranties. Each Debtor hereby makes the following representations and warranties, which shall be deemed to be repeated and confirmed upon the creation or acquisition by such Debtor of each item of Collateral and upon the creation of any Obligation:

(a) None of the Collateral constitutes farm products (as such term is defined in the Uniform Commercial Code) or Proceeds thereof.

(b) Each Debtor listed in Schedule III in the column entitled "Name of Pledgor" is the sole record and beneficial owner of the Pledged Shares listed opposite its name in said Schedule III. All of the Pledged Shares have been duly authorized and validly issued and are fully paid and non-assessable. Each such Debtor has legal title to the Pledged Shares listed opposite its name and it has good and lawful authority to pledge all of its Pledged Shares in the manner hereby done or contemplated. The Pledged Shares are not subject to any contractual restriction, or any restriction under the certificate of incorporation or by-laws of any Issuer, upon the transfer thereof, and no right, warrant or option to acquire any of its Pledged Shares exists in favor of any other Person. The shares of Capital Stock of each Issuer listed in Schedule III constitute all of the issued and outstanding shares of Capital Stock of such Issuer.

(c) When any item of Pledged Collateral other than the Pledged Shares is pledged hereunder, (i) each Debtor pledging such item of Pledged Collateral will be the owner thereof free and clear of any Liens of any kind or nature (other than those created hereunder and Permitted Liens), (ii) each share of stock comprising such Pledged Collateral will have been duly authorized, validly issued and be fully paid and non-assessable, and (iii) such Debtor will have legal title to such item of Pledged Collateral and such Debtor will have good and lawful authority to pledge and deliver such item of Pledged Collateral in the manner hereby contemplated.

5. Covenants.

(a) Each Debtor will, at its own expense, make, execute, endorse, acknowledge, file and/or deliver to the Agent from time to time such financing statements, transfer endorsements, powers of attorney, duly executed blank stock powers and other instruments of transfer or assignment and other assurance or instruments and take such further steps relating to the Collateral and other property or rights covered by the security interest hereby granted by it, as the Agent in its reasonable judgment deems appropriate or advisable to perfect, preserve or protect its security interests in the Collateral.

(b) Each Debtor will, at its own expense execute and deliver, and use its reasonable efforts to cause each financial institution maintaining any Deposit Account to execute and deliver, to the Agent from time to time account control agreements in form and substance satisfactory to the Agent, with respect to all of its Deposit Accounts and make all filings as the Agent may reasonably request.

6. Special Provisions Concerning Receivables.

(a) After the occurrence and during the continuance of any Event of Default, the Agent is authorized and empowered in its sole discretion to accept the return of goods, if any, represented by any Receivable or Contract Rights, without notice to or consent by any Debtor, all without discharging or in any way affecting such Debtor's liability hereunder or with respect to the Obligations.

(b) After the occurrence and during the continuance of an Event of Default, the Agent shall have the right, upon five days' notice to the applicable Debtor that it intends to exercise its rights under this Section 6(b), without further notice to or assent by any Debtor, and without affecting the Obligations, in the name of such Debtor or in the name of the Agent or otherwise, to take any or all of the following actions: (i) to notify any or all account debtors under any or all of the Receivables to make payment thereof directly to the Agent for the account of such Debtor or the Agent and to require such Debtor to forthwith give similar notice to the account debtors (and the Agent shall collect and hold same for the benefit of the Creditors); (ii) to demand, collect, sue for, receive, compound and give acquittance for any of the Receivables or any part thereof; (iii) to extend the time of payment of, compromise or settle for cash, credit or otherwise, and upon any terms and conditions, any of the Receivables; (iv) to endorse the name of such Debtor on any checks, drafts or other orders or instruments for the payment of moneys payable to such Debtor which shall be issued in respect of any Receivable; (v) to file any claims and commence, maintain or discontinue any actions, suits or other proceedings deemed by the Agent to be necessary or advisable for the purpose of collecting or enforcing payment of any Receivable; (vi) to execute any instrument and do any and all other things necessary and proper to protect and preserve and realize upon the Receivables and the other rights contemplated hereby; (vii) to require such Debtor to forthwith account for and transmit to the Agent (and the Agent shall collect and hold same for the benefit of the Creditors) in the same form as received, all proceeds (other than physical property) of collection of Receivables received by such Debtor and, until so transmitted, to hold the same in trust for the Agent and not commingle such proceeds with any other funds of such Debtor; (viii) to require such Debtor to deliver, at such Debtor's expense, any or all papers, documents, correspondence, records and computer programs and tapes and other electronic data processing software evidencing or relating to the Receivables to the Agent at a place designated by the Agent, as the case may be; (ix) to notify the Post Office authorities to change the address for delivery of mail addressed to such Debtor to such address as the Agent may designate; and (x) to do all other acts and things necessary to carry out this Agreement. The Agent shall not be obligated to do any of the acts hereinabove authorized, but in the event that either one thereof elects to do any such act, it shall not be responsible to any Debtor except for its gross negligence or willful misconduct.

7. Special Provisions Concerning Inventory and Equipment.

(a) The Agent shall have the right, upon the occurrence and during the continuance of an Event of Default, upon five days' notice to the applicable Debtor that it intends to exercise its rights under this Section 7(a), without further notice to or assent by any Debtor, and without affecting the Obligations, in the name of such Debtor or in the name of the Agent, as the case may be, or otherwise, to take any or all of the following actions: (i) upon notice to such effect, to require that such Debtor deliver, at such Debtor's expense, any or all of the Inventory and Equipment to the

Agent at a place designated by the Agent; (ii) to take possession of any or all of the Inventory and Equipment and, for that purpose, to enter, with the aid and assistance of any Person, any premises where such Inventory and Equipment, or any part thereof, is, or may be, placed or assembled, to remove any such Inventory or Equipment, and to dispose of or store such Inventory or Equipment in such premises at the expense of the Debtors; and (iii) to execute or endorse any instrument (including, without limitation, any invoice, bill of lading, and storage or warehouse receipt) and do all the things necessary and proper to protect and preserve and realize upon the Inventory and Equipment and the other rights contemplated hereby. The Agent shall not be obligated to do any of the acts hereinabove authorized, but in the event that it elects to do any such act, it shall not be responsible to any Debtor except for its own gross negligence or willful misconduct.

(b) Upon taking possession of any Inventory or Equipment pursuant hereto following the occurrence of an Event of Default, the Agent shall have the right to hold, store and/or use, manage, control and sell such Inventory or Equipment. Upon any such taking of possession of any Inventory or Equipment, the Agent may, from time to time at the expense of the Debtors, make all such repairs, replacements, alterations, additions and improvements to and of such Inventory or Equipment as the Agent may deem proper. In any such case, the Agent shall have the right to manage and control such Inventory or Equipment and to carry on the business and exercise all rights and powers of each Debtor respecting its Inventory and Equipment, all as the Agent shall deem best; and the Agent shall be entitled to collect and receive all issues, profits, fees, revenues and other income of the same and every part thereof. Such issues, profits, fees, revenues and other income shall be applied to pay the expenses incurred by the Agent or its agents in (i) holding such Inventory or Equipment; (ii) performing all repairs, replacements, alterations, additions and improvements which the Agent may be required or may elect to make, if any; and (iii) paying all taxes, assessments, insurance, warehouse fees and other charges upon such Inventory or Equipment or any part thereof, and all other payments, which the Agent may be required or authorized or elect to make (including legal costs and attorneys' fees). Any remaining rents, issues, profits, fees, revenues and other income shall be applied to the payment of the Obligations in accordance with Section 13.

8. Special Provisions Concerning Intellectual Property. Each Debtor shall take all necessary steps, consistent with sound business judgment, in any proceeding before the United States Patent and Trademark Office, the United States Copyright Office or any similar office or agency in any other country or any political subdivision thereof, to maintain each application and registration of the Trademarks, Copyrights and Patents, including, without limitation, filing of renewals, affidavits of use, affidavits of incontestability and opposition, interference and cancellation proceedings (except to the extent that dedication, abandonment or invalidation of any Trademark, Patent or Copyright could not reasonably be expected to result in a Material Adverse Effect).

9. Additional Provisions Concerning Pledged Shares.

(a) Registration in Nominee Name. The Agent shall have the right to appoint one or more agents for the purpose of retaining physical possession of the certificates representing or evidencing the Pledged Collateral, which may be held (in the discretion of the Agent) in the name of the relevant Debtor, endorsed or assigned in blank or in favor of the Agent, or any nominee or nominees of the Agent or any agent appointed by the Agent. In addition to all other rights possessed by the Agent, the Agent may, from time to time after the occurrence and during the continuation of an Event of

Default, at its sole discretion, upon five days' notice to the applicable Debtor that it intends to exercise its rights under this Section 9(a), without further notice to or assent by any Debtor, and without affecting the Obligations, in the name of such Debtor or in the name of the Agent or otherwise, take any or all of the following actions: (i) transfer all or any part of the Pledged Collateral into the name of the Agent or its nominee, with or without disclosing that such Pledged Collateral is subject to the Lien and security interests created hereby; (ii) take control of any proceeds of any of the Pledged Collateral; and (iii) exchange certificates or instruments representing or evidencing Pledged Collateral for certificates or instruments of smaller or larger denominations for any purpose consistent with its rights under this Agreement; provided that all powers of the Agent under this Section shall be subject to the rights of the Debtors under Section 11 hereof to the extent that the exercise of such powers represents a sale of an item of Pledged Collateral.

(b) Voting Rights; Dividends, Etc.

(i) So long as no Event of Default has occurred and is continuing, each Debtor shall be entitled to exercise any and all voting rights and powers relating or pertaining to the Pledged Collateral or any part thereof for any purpose not inconsistent with the terms of the Credit Agreement and the other Documents.

(ii) So long as no Event of Default has occurred and is continuing, each Debtor shall be entitled to receive and retain any and all cash dividends, distributions and returns of capital paid on or with respect to the Pledged Collateral. Any and all stock dividends, liquidating dividends, distributions of property, or redemptions made on or in respect of the Pledged Collateral, whether resulting from a subdivision, combination or reclassification of the outstanding Capital Stock of any Issuer or received in exchange for Pledged Collateral or any part thereof or as a result of any merger, consolidation, acquisition or other exchange of assets to which any Issuer may be a party or otherwise, and any and all cash and other property received in payment of the principal of or in redemption of or in exchange for any Pledged Collateral (either at maturity, upon call for redemption or otherwise), shall become part of the Pledged Collateral and, if received by any Debtor, such cash and other property, net of any amounts necessary to satisfy the tax liability of the recipient thereof with respect thereto, shall be held in trust for the benefit of the Agent and shall forthwith be delivered to the Agent or its designated agent (accompanied by proper instruments of assignment and/or stock powers executed by such Debtor in accordance with the Agent's instructions) who shall hold same for the benefit of the Creditors subject to the terms of this Agreement.

(iii) Upon the occurrence of an Event of Default and so long as such Event of Default shall continue, at the option of the Agent (subject to Applicable Law), (x) all rights of each Debtor to exercise the voting rights and powers which such Debtor is entitled to exercise pursuant to Section 9(b)(i) shall cease, and all such rights shall thereupon become vested in the Agent, and the Agent shall have the sole and exclusive right and authority to exercise such voting and/or consensual rights and powers and (y) the Agent shall be entitled to receive and retain any and all cash dividends, if any, paid on the Pledged Collateral and the Agent shall hold same for the benefit of the Creditors. Any and all cash and other property paid over to or received by the Agent pursuant to the provisions of this subsection shall be retained by the Agent as part of the Pledged Collateral, and shall be applied in accordance with the provisions hereof, for the benefit of the Creditors.

(iv) Concurrently with its execution of this Agreement, each Debtor shall execute and deliver to the Agent an irrevocable proxy to vote the Pledged Shares, substantially in the form of Exhibit A. After the occurrence and during the continuance of an Event of Default, each Debtor shall deliver to the Agent such further evidence of such irrevocable proxy or such further irrevocable proxies to vote any shares or stock constituting part of the Pledged Collateral as the Agent may reasonably request, it being expressly agreed that the Agent shall exercise such proxy in accordance with the instructions of the Creditors.

10. Financing Statements: Documentary Stamp Taxes.

(a) Each Debtor agrees to sign and deliver to the Agent such authorization letters, financing statements and other documents, all of which shall be in form acceptable to the Agent, as the Agent may reasonably request from time to time request or as are necessary in the reasonable opinion of the Agent to establish and maintain a valid, enforceable and perfected security interest in the Collateral and the other rights and security contemplated hereby which is superior and prior to the rights of all third Persons other than Permitted Liens. Each Debtor will pay any applicable filing fees and taxes and related expenses. Each Debtor authorizes the Agent to file any such financing statements without the signature of such Debtor.

(b) Each Debtor agrees to procure, pay for, affix to any and all documents and cancel any documentary tax stamps or similar taxes required by, and in accordance with, Applicable Law, and such Debtor will indemnify the Agent and hold the Agent harmless against any liability (including interest and penalties) in respect of such taxes.

11. Additional Provisions Concerning Remedies and Sale of Collateral.

(a) In addition to any rights and remedies contained herein or now or hereafter granted under Applicable Law and not by way of limitation of any such rights and remedies, upon the occurrence and during the continuance of an Event of Default, the Agent shall have all of the rights and remedies of a secured party under the Uniform Commercial Code as enacted in any applicable jurisdiction in addition to the rights and remedies provided herein. The Agent may take legal proceedings for the appointment of a receiver or receivers (to which the Agent shall be entitled as a matter of right) to take possession of the Collateral pending the sale thereof pursuant either to the powers of sale granted by this Agreement or to a judgment, order or decree made in any judicial proceeding for the foreclosure or involving the enforcement of this Agreement.

(b) Upon the occurrence and during the continuance of any Event of Default, the Agent shall have the right to seize and take possession of any Collateral (or any paper, documents, correspondence, computer tapes and programs and other electronic data processing software relating to the Collateral), and may enter the premises where such Collateral (or such paper, documents, correspondence, tapes, programs or software) are located for the purpose of effecting such seizure. At any time or from time to time after the occurrence and during the continuance of an Event of Default, the Agent may hire and maintain on any of the premises of any Debtor a custodian or independent contractor selected by the Agent, as the case may be, who shall have full authority to do all lawful acts necessary to protect the interests of the Agent and to report to them thereon. Each Debtor hereby agrees to cooperate with any such Person and to do whatever the Agent may reasonably request to preserve the Collateral. All expenses incurred by the Agent by reason of the

employment of any such Person shall be payable by such Debtor and shall be secured hereby and shall be a part of the Obligations.

(c) Upon the occurrence and during the continuance of an Event of Default, the Agent may, without obligation to resort to other security, at any time and from time to time, sell, re-sell, assign and deliver all or any of the Collateral, in one or more parcels at the same or different times, and all right, title and interest, claim and demand therein and right of redemption thereof, at public or private sale or at any broker's board or on any securities exchange, for cash, upon credit or for future delivery, and at such price or prices and on such terms as the Agent may determine, with the amounts realized from any such sale to be applied in the manner provided in Section 13. Each Debtor hereby agrees that all of the foregoing may be effected without demand, advertisement or notice (except as required by law or as expressly provided herein), all of which (to the extent permitted by law) are hereby expressly waived. Subject to Applicable Law, upon any sale of any of the Collateral, whether made under the power of sale hereby given or under judgment, order or decree in any judicial proceeding for the foreclosure involving the enforcement of this Agreement, (i) any Creditor may bid for the property being sold, and upon compliance with the terms of sale may hold, retain and possess and dispose of such property in its own absolute right without further accountability, and may, in paying the purchase money therefor, discharge a portion of the Obligations owing to such Creditor in an amount equal to such purchase price; (ii) the Agent may make and deliver to the purchaser or purchasers a good and sufficient deed, bill of sale and instrument of assignment and transfer of the property sold; (iii) the Agent may make all necessary deeds, bills of sale and instruments of assignment and transfer of the property thus sold; but if so requested by the Agent or such purchaser, each Debtor shall ratify and confirm any such sale or transfer by executing and delivering to the Agent or such purchaser all property, deeds, bills of sale, instruments of assignment and transfer and releases as may be designated in any such request; (iv) all right, title, interest, claim and demand whatsoever, either in law or in equity or otherwise, of such Debtor of, in and to the property so sold shall be divested and such sale shall be a perpetual bar both at law and in equity against such Debtor, its successors and assigns, and against any and all Persons claiming or who may claim the property sold or any part thereof from, through or under such Debtor, its successors or assigns; and (v) the receipt of the Agent or of the officer thereof making such sale shall be a sufficient discharge to the purchaser or purchasers at such sale for his or their purchase money, and such purchaser or purchasers, and his, its or their assigns or personal representatives, shall not, after paying such purchase money and receiving such receipt of the Agent or of such officers thereof, be obligated to see to the application of such purchase money or be in any way answerable or responsible for any loss, misapplication or non-application thereof.

(d) To the extent that it may lawfully do so, each Debtor agrees that it will not at any time insist upon, or plead, or in any manner whatsoever claim or take the benefit or advantage of, any appraisal, valuation, stay, extension or redemption laws, or any law permitting it to direct the order in which the Collateral or any part thereof shall be sold, now or at any time hereafter in force, which may delay, prevent or otherwise affect the performance or enforcement of this Agreement or the Obligations, and each Debtor hereby expressly waives all benefit or advantage of any such laws and covenants that it will not hinder, delay or impede the execution of any power granted or delegated to the Agent in this Agreement, but will suffer and permit the execution of every such power as though no such laws were in force. In the event of any sale of Collateral pursuant to this Agreement by the Agent, the Agent, as the case may be, shall, at least 10 days before such sale, give

the Debtors written notice (which notice may be given by telecopier) of its intention to sell, except that, if the Agent shall determine in its sole discretion that any of the Collateral is perishable or threatens to decline speedily in value, any such sale may be made upon one day's written notice (which notice may be given by telecopier) to the Debtors.

(e) Each Debtor agrees that upon the occurrence of any Event of Default and at any time during the continuance thereof, any of the monies, deposit balances and other property of such Debtor held by, or coming into the possession of, the Agent may be applied (including, without limitation, by way of set-off) to a reduction of the Obligations.

(f) For the purpose of enabling the Agent to exercise rights and remedies hereunder, each Debtor hereby grants to the Agent access upon the occurrence and during the continuance of an Event of Default (after taking into account any applicable grace or cure period) to all media in which any Collateral consisting of Intellectual Property may be recorded or stored and to all computer equipment and software programs used for the compilation or printout thereof to the extent that such Debtor may lawfully do so, and hereby authorizes any and all custodians thereof to release such media to the Agent or in accordance with the their instructions upon receipt of a letter executed by them stating that an Event of Default has occurred and is continuing.

(g) For the purpose of enabling the Agent to exercise their rights and remedies under this Agreement at such time as the Agent, without regard to this Section 11(g), shall be lawfully entitled to exercise such rights and remedies and for no other purpose, each Debtor hereby grants to the Agent, effective upon the occurrence and during the continuance of an Event of Default and notice by the Agent that they desire to exercise such rights and remedies, an irrevocable, exclusive license, exercisable without payment of royalty or other compensation to any of the Debtors, to use, assign, license or sublicense any of the Collateral consisting of Intellectual Property, including in such license reasonable access to all media in which any of the licensed items may be recorded or stored and to all computer programs used for the compilation or printout thereof.

(h) Each Debtor understands that compliance with Federal or state securities laws may limit the course of conduct of the Agent if they were to attempt to dispose of all or any part of the Pledged Collateral and may also limit the extent to which or the manner in which any subsequent transferee of the Pledged Collateral may dispose of the same. Each Debtor agrees that in any sale of any of the Pledged Collateral the Agent are hereby authorized to comply with any such limitation or restriction in connection with such sale as it may be advised by counsel is necessary in order to (x) avoid any violation of Applicable Law (including, without limitation, compliance with such procedures as may restrict the number of prospective bidders and purchasers and/or further restrict such prospective bidders or purchasers to Persons who will represent and agree that they are purchasing for their own account for investment and not with a view to the distribution or resale of such Pledged Collateral) or (y) obtain any required approval of the sale or of the purchaser by any governmental regulatory authority or official. Each Debtor further agrees that such compliance shall not result in such sale being considered or deemed not to have been made in a commercially reasonable manner, and that the Agent shall not be liable or accountable to such Debtor for any discount allowed by reason of the fact that the Pledged Collateral is sold in compliance with any such limitation or restriction.



(i) The Agent shall be under no obligation to delay a sale or disposition of any of the Pledged Shares to permit the Issuer of such Pledged Shares to register them for public sale under the Securities Act of 1933 or under any applicable state securities or blue-sky laws, provided that no such sale or disposition shall be in violation of applicable securities laws.

12. Agent Appointed Attorney-in-Fact.

(a) Effective upon the occurrence and during the continuance of an Event of Default, each Debtor hereby appoints the Agent as such Debtor's attorney-in-fact, with full power of substitution, for the purpose of carrying out the provisions of this Agreement and taking any action and executing any instrument that either one thereof may deem necessary or advisable to accomplish the purposes hereof, which appointment is irrevocable and coupled with an interest. Without limiting the generality of the foregoing, the Agent shall have the right and power, in its own name or as attorney-in-fact for any Debtor, (i) to take any of the actions specified in Section 6(a) or 7(a) and (ii) generally, to do, at the option of the Agent, as the case may be, and at the Debtor's expense, at any time, or from time to time, all acts and things that the Agent deem necessary to protect, preserve and realize upon the Collateral and their security interests therein; and each Debtor hereby ratifies all that the Agent, acting as attorney-in-fact for such Debtor, shall lawfully do or cause to be done by virtue hereof.

(b) Concurrently with the execution and delivery hereof, each Debtor will execute and deliver to the Agent a Special Power of Attorney substantially in the form of Exhibit B hereto for the implementation of the assignment, sale or other disposition of the Collateral or any portion thereof pursuant to Sections 11(c), 11(d), and 11(g) upon the occurrence and during the continuance of an Event of Default and for the other purposes specified in such Power of Attorney, and each Debtor hereby releases the Agent from any claims, causes of action and demands at any time arising out of or with respect to any actions taken or omitted to be taken by the Agent under the power of attorney granted herein or therein, other than actions taken or omitted to be taken through the gross negligence or willful misconduct of the Agent.

13. Application of Moneys; Reassignment of Collateral. Except as otherwise provided herein,

(a) all moneys which the Agent shall receive pursuant to this Agreement shall be applied in the order and manner provided in the Credit Agreement.

(b) The balance, if any, of such moneys shall be paid over to the Debtors or as otherwise required by law or as directed by a court of competent jurisdiction. Upon the payment in full of the Obligations, the termination of the Credit Facilities under the Credit Agreement, the termination of the Netting Period, and the expiration or termination of all letters of credit issued thereunder, all Collateral not sold or otherwise disposed of pursuant hereto shall, at the request of the Debtors and at the sole cost and expense of the Debtors, be reassigned by the Agent to the Debtors (or as otherwise directed by a court of competent jurisdiction), without recourse and without any representations, warranties or agreements of any kind, other than that such Collateral is free and clear of any Liens placed thereon by the Agent. Each Debtor shall remain jointly and severally liable to the Creditors

for any deficiency remaining on the Obligations after the aforesaid application of such monies to the Obligations.

14. Compliance With Securities laws.

(a) If the Agent determines to exercise its right to sell any or all of the Pledged Shares, upon written request from the Agent, each Debtor shall furnish to the Agent all such information as they may reasonably request in order to determine the number of Pledged Shares which may be sold by them in transactions not requiring registration under the Securities Act of 1933 and the rules of the Securities and Exchange Commission thereunder, as the same are from time to time in effect.

(b) Each Debtor further agrees that, upon written request from the Agent after the occurrence and during the continuance of an Event of Default, it shall furnish to the Agent such further information, it shall execute and deliver such instruments and documents, and it shall do or cause to be done such other acts and things, as the Agent may reasonably require to permit the Agent to sell or dispose of the Pledged Shares or any portion thereof in one or more exempt transactions under the Securities Act of 1933 and the rules of the Securities and Exchange Commission thereunder, as the same are from time to time in effect, and in compliance with any and all other Applicable Laws, regulations, orders, writs, injunctions, decrees or awards of any and all courts, arbitrators or governmental instrumentalities, domestic or foreign, having jurisdiction over any such sales or dispositions, all at such Debtor's sole expense. Each Debtor further agrees that a breach of any of the covenants contained in this Section 14 will cause irreparable injury to the Agent and that the Agent have no adequate remedy at law in respect of such breach, and agrees that each and every covenant contained in this Section 14 shall be specifically enforceable against such Debtor, and each Debtor hereby waives and agrees not to assert any defenses against an action for specific performance of such covenants, except for a defense that no Event of Default has occurred, that such Event of Default has been cured or waived, that all of the Obligations have been paid in full or that the Agent have released the Pledged Shares.

15. Exercise of Rights. The Agent shall have the right, in its sole discretion, to determine which rights, security, Liens, guarantees, security interests or remedies it shall retain, pursue, release, subordinate, modify or take any other action with respect to, without in any way modifying or affecting any of the other of them or any of its rights hereunder. Without limiting the generality of the foregoing, the Agent shall have complete and absolute discretion in determining which items of Collateral it will enforce its rights against, and it shall have no obligation to proceed ratably or in any other order against the Debtors' respective assets.

16. Waivers. Amendments. Required Notices. Each Debtor hereby waives notice of acceptance of this Agreement, notice of nonpayment of any Obligations or of any Receivables or of any instrument relating thereto, demand, presentment, protest and notice thereof with respect to any and all instruments, notice of Collateral received or delivered, or any other action taken in reliance hereon and all other demands and notices of any description, except such as are expressly provided for herein or which by Applicable Law may not be waived on the date hereof. No course of dealing between the Agent and any Debtor or any other Person, and no failure on the part of the Agent to exercise, and no delay in exercising, any right, power or remedy hereunder, shall operate as a waiver thereof or as a waiver of any Event of Default, nor shall any single or partial exercise by the Agent

of any right, power or remedy hereunder or with respect to the Obligations preclude any other or further exercise thereof or the exercise of any other right, power or remedy. No amendment or modification of this Agreement nor any waiver of any provision of this Agreement or consent to any departure by any Debtor therefrom shall in any event be effective unless the same shall be in writing and signed by the Agent, and then any such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice to or demand on any Debtor in any case shall, of itself, entitle such Debtor or any other Debtor to any other or further notice or demand in similar or other circumstances. If notice, whether before or after any Event of Default has occurred, is required by law to be given by the Agent to any Debtor, such Debtor agrees that, unless otherwise specifically provided herein, ten (10) days' notice given in the manner provided below shall be reasonable notice.

17. Cumulative Rights and Remedies. This Agreement and the Liens and security interests granted hereunder are in addition to and not in substitution for any other security interest or collateral now or hereafter held by or on behalf of the Agent to secure the Obligations and shall not operate as a merger of any contract debt or suspend the fulfillment of or affect the rights, remedies or powers of the Agent in respect of the Obligations or any other security interests held by the Agent for the fulfillment thereof. The remedies herein provided are cumulative and not exclusive of any remedy provided by law.

18. Notices. All notices, requests, demands, instructions, directions and other communications provided for hereunder shall be in writing (which term shall include telecopied communications) and shall be mailed (by registered or certified mail, postage prepaid), telecopied or delivered to the applicable party at the address or telecopier number specified for such party in s.14.2 of the Credit Agreement or, as to any party, to such other address or telecopier number as such party shall specify by a notice in writing to the other parties hereto delivered in accordance with the provisions of this Section 18. Each notice, request, demand, instruction, direction or other communication provided for hereunder shall be deemed delivered in accordance with s.14.2 of the Credit Agreement.

19. Costs and Expenses. (a) The Debtors agree jointly and severally to pay, on demand, whether or not any Event of Default shall have occurred and regardless of whether or not any proceeding to enforce this Agreement or the Obligations shall have been commenced, all of the reasonable costs and expenses (including, without limitation, all reasonable fees and disbursements of legal counsel) incurred by the Agent in connection with (i) the preparation of this Agreement and any related financing statements and other instruments and documents, (ii) the enforcement of this Agreement and the security interests granted hereunder, (iii) any filings or recordings with respect to the security interests granted hereunder (including all filing and recording fees, stamp taxes, recording taxes and intangible property taxes), (iv) the care and preservation of the Collateral, (v) the sale or other disposition of, or other realization upon, the Collateral that is permitted under this Agreement, or (vi) the preparation of any requested amendments to this Agreement or waivers or consents in connection herewith. Any such costs and expenses so incurred by the Agent shall be secured hereby and be a part of the Obligations.

(b) If any Lien or tax shall be claimed with respect to the Collateral which, in the opinion of the Agent, may possibly create a valid obligation having priority over the security interest granted

to it herein, the Agent may in its sole discretion and without notice to any Debtor pay such taxes and/or the amount secured by such Lien and the amount of such payment shall be charged to such Debtor's account and added to the Obligations secured hereby: provided, however, that the Agent shall not make such payment with respect to any Lien or tax being properly contested by appropriate proceedings or that constitutes a Permitted Lien.

(c) Upon any failure by any Debtor to perform any of its duties and obligations hereunder, the Agent may, but shall not be obligated to, perform any or all of such duties, and such Debtor shall pay to the Agent, forthwith upon written demand therefor, an amount equal to the cash or out-of-pocket expense incurred by the Agent in so doing plus interest thereon, from the date such expense is incurred until it is paid in full at a rate per annum equal to the highest rate of interest payable by such Debtor from time to time on the Obligations.

20. Successors and Assigns. This Agreement shall be binding upon each Debtor and its respective successors and assigns and shall inure to the benefit of the Agent, the other Creditors and their respective successors, transferees and assigns. No Debtor may assign its rights or obligations hereunder or any portion thereof without the prior written consent of the Agent. Any Creditor may assign its rights and powers under this Agreement with all or any of the Obligations owing to it to the extent permitted by the Credit Agreement and, in the event of any such assignment, the assignee of such rights and powers, to the extent of such assignment, shall have the same rights and remedies hereunder, and shall be secured hereby to the same extent, as if it had been a Creditor on the date hereof. The Agent may resign and be replaced by a successor agent to the extent permitted by the Credit Agreement.

21. Severability. If any part of this Agreement is contrary to, prohibited by or deemed invalid under the Applicable Laws or regulations of any jurisdiction, such provision shall, as to such jurisdiction, be inapplicable and deemed omitted to the extent so contrary, prohibited or invalid, but the remainder hereof shall not be invalidated thereby and shall be given full force and effect so far as possible, and any such prohibition or invalidity in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

22. No Assumption of Duties: Limitation on Liabilities: Preservation of Collateral.

(a) Nothing herein contained shall be construed to constitute the Agent as any Debtor's agent for any purpose whatsoever except for the limited purposes of receiving proceeds of the Collateral as provided above. The Agent does not assume, by anything contained herein or in any assignment or otherwise, any Debtor's obligations under any Receivable or other Collateral or any contract or agreement relating thereto, and it shall not be responsible in any way for any Debtor's performance of any of the terms and conditions thereof.

(b) Neither the Agent nor any of its directors, officers, employees or agents shall be liable to any Person for any action taken or omitted by the Agent or its officers, directors, employees or agents hereunder or with respect to any transaction contemplated by this Agreement, except for the Agent's or such officers', directors', employees' or agents' gross negligence or willful misconduct. Without limiting the generality of the foregoing, the Agent shall not be responsible or liable for any shortage, discrepancy, damage, loss or destruction of any part of the Collateral wherever the same may be located and regardless of the cause thereof unless due to their gross negligence or willful

misconduct. The Agent shall not, under any circumstances or in any event whatsoever, have any liability for any error or omission or delay of any kind occurring in the settlement, collection or payment of any of the Receivables or any instrument received in payment thereof or for any damage resulting therefrom.

(c) The sole duty of the Agent with respect to the custody, safekeeping and physical preservation of the Collateral in its possession, under the Uniform Commercial Code or otherwise, shall be to deal with it in the same manner as the Agent, as the case may be, deals with similar property for its own account. Neither the Agent nor any of its directors, officers, employees or agents shall be liable for failure to demand, collect or realize upon all or any part of the Collateral or for any delay in doing so or shall be under any obligation to sell or otherwise dispose of any Collateral upon the request of any Debtor or otherwise.

23. Indemnification. Each Debtor agrees jointly and severally to pay, and to save the Agent harmless from, any and all liabilities, costs, expenses, losses or damages (including, without limitation, reasonable legal fees and expenses) which may be imposed on, incurred by or asserted against the Agent (i) with respect to, or resulting from, any delay in complying with any requirement of law applicable to any of the Collateral or (ii) in connection with any investigation, litigation or other proceeding (whether or not the Agent is a party thereto) related to the entering into or performance of this Agreement or any of the transactions contemplated by this Agreement or the enforcement of any of the terms hereof. In any suit, proceeding or action brought by the Agent under or with respect to any Receivable, License or Contract for any sum owing thereunder, or to enforce any provisions of any Receivable, License or Contract, the Debtors will jointly and severally save, indemnify and keep the Agent harmless from and against any liabilities, costs, expense, loss or damage suffered by reason of any defense, setoff, counterclaim, recoupment or reduction or liability whatsoever of the account debtor or obligor thereunder, arising out of a breach by any Debtor of any obligation thereunder or arising out of any other agreement, indebtedness or liability at any time owing to or in favor of such account debtor or obligor or its successors from any Debtor. Notwithstanding the foregoing, no Debtor shall be liable for any of the foregoing to the extent that they arise from the gross negligence or willful misconduct of the Agent.

24. Survival; Termination.

(a) All covenants, agreements, representations and warranties made herein by any Debtor shall survive the execution and delivery of this Agreement and shall continue in full force and effect until the termination of the Credit Facilities under the Credit Agreement, the termination of the Netting Period, the expiration or termination of all letters of credit issued thereunder, and the payment in full of all of the Obligations.

(b) This Agreement shall terminate when the Credit Agreement and all of the other Documents have terminated and all of the Obligations have been paid in full; provided, however, that this Agreement shall be reinstated if any payment in respect of the Obligations is rescinded, invalidated, declared to be fraudulent or preferential or otherwise required to be restored or returned by any Creditor for any reason, including without limitation by reason of the insolvency, bankruptcy or reorganization of any Debtor or any other Person.

25. **GOVERNING LAW.** THIS AGREEMENT SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, WITHOUT REFERENCE TO ITS PRINCIPLES OF CONFLICT OF LAWS, OTHER THAN SECTIONS 5-1401 AND 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW.

26. **SUBMISSION TO JURISDICTION.** (a) EACH DEBTOR HEREBY EXPRESSLY SUBMITS TO THE NON-EXCLUSIVE JURISDICTION OF ALL FEDERAL AND STATE COURTS SITTING IN THE CITY OF NEW YORK, STATE OF NEW YORK IN CONNECTION WITH ANY ACTION, SUIT OR PROCEEDING RELATING TO THIS AGREEMENT, ANY INSTRUMENT OR DOCUMENT REFERRED TO HEREIN OR RELATED HERETO, OR ANY ITEM OF COLLATERAL, AND IN CONNECTION THEREWITH AGREES THAT ANY PROCESS OR NOTICE OF MOTION OR OTHER APPLICATION TO ANY OF SAID COURTS OR A JUDGE THEREOF MAY BE SERVED UPON SUCH DEBTOR WITHIN OR WITHOUT SUCH COURT'S JURISDICTION BY REGISTERED OR CERTIFIED MAIL, AT THE ADDRESS OF SUCH DEBTOR SPECIFIED IN SECTION 18 HEREOF (OR AT SUCH OTHER ADDRESS AS SUCH DEBTOR SHALL SPECIFY BY A PRIOR NOTICE IN WRITING TO THE AGENT), PROVIDED A REASONABLE TIME FOR APPEARANCE IS ALLOWED.

(b) EACH DEBTOR HEREBY IRREVOCABLY WAIVES ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY INSTRUMENT OR DOCUMENT REFERRED TO HEREIN OR RELATED HERETO BROUGHT IN ANY FEDERAL OR STATE COURT SITTING IN THE CITY OF NEW YORK, STATE OF NEW YORK AND HEREBY FURTHER IRREVOCABLY WAIVES ANY CLAIM THAT ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

(c) NOTWITHSTANDING THE FOREGOING, THE AGENT OR ANY OTHER CREDITOR MAY SUE ANY DEBTOR IN ANY JURISDICTION WHERE SUCH DEBTOR OR ANY OF ITS ASSETS MAY BE FOUND AND MAY SERVE LEGAL PROCESS UPON ANY DEBTOR IN ANY OTHER MANNER PERMITTED BY LAW.

27. **WAIVER OF JURY TRIAL.** EACH PARTY HERETO HEREBY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY OF ANY DISPUTE ARISING UNDER OR RELATING TO THIS AGREEMENT, ANY INSTRUMENT OR DOCUMENT REFERRED TO HEREIN OR RELATED HERETO, OR ANY ITEM OF COLLATERAL, AND AGREES THAT ANY SUCH DISPUTE SHALL BE TRIED BEFORE A JUDGE SITTING WITHOUT A JURY.

28. **Execution in Counterparts; Facsimile Signatures.** This Agreement may be executed in any number of counterparts and by different parties on separate counterparts, all of which when taken together shall constitute but one and the same agreement. Delivery of an executed signature

page to this Agreement by facsimile transmission shall be as effective as delivery of a manually signed counterpart of this Agreement.

29. Additional Debtors. The Guarantee permits newly-formed or acquired Subsidiaries of the Borrower that are organized under the laws of the United States or any state thereof (each, a "**New U.S. Subsidiary**") to become parties thereto. It is the intention of the Companies that any New U.S. Subsidiary that becomes party to the Guarantee concurrently becomes party to this Agreement as Debtors. Upon execution and delivery after the date hereof by the Agent and any such New U.S. Subsidiary of a Supplement in the form of Exhibit C, such New U.S. Subsidiary shall become a Debtor hereunder with the same force and effect as if originally named as a Debtor herein. The execution and delivery of any instrument adding an additional Debtor as a party to this Security Agreement shall not require the consent of any other Debtor hereunder. The rights and obligations of each Debtor hereunder shall remain in full force and effect notwithstanding the addition of any new Debtor as a party to this Agreement.

30. Agreements and Licenses.

(a) If a Debtor cannot lawfully grant a security interest to the Agent in any Contract, Contract Right, Receivable, General Intangible, Instrument, Investment Property, Financial Asset, Lease, License, Licensing Agreement, or Supporting Obligation that constitutes Collateral in which it now or hereafter has rights because the applicable instrument or agreement prohibits or restricts such grant or requires the consent of any Person which has not been obtained, or because such grant would contravene Applicable Law, that item of Collateral shall not, to the extent it would be illegal or result in forfeiture of all material rights thereunder (each, a "**Prescribed Contract**"), be subject to the Agent's security interest hereunder (save to the extent provided below) unless and until such agreements, consents, waivers and approvals as may be required to avoid such illegality or forfeiture have been obtained ("**Required Approvals**"). The security interests granted to the Agent hereunder shall nonetheless immediately attach to any rights of such Debtor arising under, by reason of, or otherwise in respect of such Prescribed Contract, such as the right to receive payments thereunder and all Proceeds thereof ("**Related Rights**"), if and to the extent and as at the time such attachment to the Related Rights is not illegal and would not result in forfeiture of all material rights thereunder.

(b) To the extent permitted by Applicable Law, each Debtor will hold in trust for the Agent, and provide the Agent with the benefits of, each Prescribed Contract and, following the occurrence of an Event of Default, will enforce all Related Rights at the written direction of the Agent, for the benefit of the Creditors, or at the direction of such other Person (including any purchaser of Collateral from the Agent or any receiver) as the Agent may designate.

(c) Each Debtor shall, following the occurrence of an Event of Default and a written request from the Agent, forthwith use commercially reasonable best efforts to obtain, as soon as reasonably practicable, all such Required Approvals and acknowledgments of the nature referred to in Subsection (d).

(d) Each Debtor shall, at the time it enters into a License or Licensing Agreement, obtain from the licensor or licensee (as applicable) under such License or Licensing Agreement (i) a consent to grant a security interest in such License or Licensing Agreement and the related

Intellectual Property, including all of such Debtor's rights thereto, and to any disposition thereof pursuant to the remedies provisions hereof and (ii) an agreement that none of the Creditors shall have any obligations to such licensor or licensee (as applicable) by reason only of such security interest or disposition.

31. Conflict with Credit Agreement.


Notwithstanding anything in this Agreement to the contrary, in the event of any conflict between the terms and conditions of this Agreement and the terms and conditions of the Credit Agreement, the terms and conditions of the Credit Agreement shall apply and govern, save only (i) to the extent that any provision thereof is either inconsistent with or in breach of any provision of any Applicable Law of the State of New York, or renders the charges, security interests or Liens created hereunder or the remedies provided hereby invalid, illegal, unenforceable or ineffective in any way, and (ii) that the creation, preservation and enforcement of the Liens and security interests granted by, and any charges made against, the Debtors hereunder shall in all events be governed and controlled by this Agreement. For greater certainty, any provision contained in this Agreement shall not be in conflict with any provision of the Credit Agreement unless the parties hereto cannot comply with both provisions in which case the provisions of the Credit Agreement shall prevail.

**[Remainder of page intentionally left blank; signature pages follow]**



IN WITNESS WHEREOF, the Debtor has caused this Agreement to be duly executed and delivered by its duly authorized officer as of the date first above written.

**MORNEAU SOBECO, LTD.**

By:   
Name:  
Title:

Acknowledged and accepted:

**NATIONAL BANK OF CANADA,**  
as Agent

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

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

US MERGERCO SECURITY AGREEMENT

**TRADEMARK**  
**REEL: 003815 FRAME: 0820**

IN WITNESS WHEREOF, the Debtor has caused this Agreement to be duly executed and delivered by its duly authorized officer as of the date first above written.

**MORNEAU SOBECO, LTD.**

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

Acknowledged and accepted:

**NATIONAL BANK OF CANADA,**  
as Agent

By           *Mum Bery*            
Name:  
Title:

By           *J. Wang*            
Name:  
Title:

**SCHEDULE OF OFFICES AND LIST OF FORMER NAMES**

Morneau Sobeco, Ltd.	2000 Technology Drive, Suite 300 Pittsburgh, PA 15219-3109 USA	(i) Warren Shepell International Inc.  (ii) Family Guidance International (U.S.) Inc.	
Morneau Sobeco, Ltd.	101 Federal St. Suite 1900 Boston MA 02110 (Virtual Office)		
Morneau Sobeco, Ltd.	3753 Howard Hughes Parkway, Suite 200 Las Vegas, NV 89109 (Virtual Office)		
Morneau Sobeco, Ltd.	7 Century Drive , Ste 102 Parsippany, NJ 07054		
Morneau Sobeco, Ltd.	580 California Street 16 <sup>th</sup> Floor, Offices 1629, 1650 San Francisco CA 94104		
Morneau Sobeco, Ltd.	2 Penn Centre Suite 200, Office 32 and 55 Philadelphia, Pennsylvania USA, 19102		

Morneau Sobeco, Ltd.	Executive Suites 700 Saint Paul Bldg Suite 700A & C Six West Fifth Street St. Paul MN 55102		
Morneau Sobeco, Ltd.	895 Don Mills Road, Suite 700 One Morneau Sobeco Centre Toronto, Ontario M3C 1W3		

**SCHEDULE OF INVENTORY AND EQUIPMENT LOCATIONS**

Morneau Sobeco, Ltd.	2000 Technology Drive, Suite 300 Pittsburgh, PA 15219-3109 USA
Morneau Sobeco, Ltd.	7 Century Drive, Ste 102 Parsippany, NJ 07054
Morneau Sobeco, Ltd.	580 California Street 16 <sup>th</sup> Floor, Offices 1629, 1650 San Francisco CA 94104
Morneau Sobeco, Ltd.	2 Penn Centre, Suite 200, Office 32 and 55 Philadelphia, Pennsylvania USA, 19102
Morneau Sobeco, Ltd.	Executive Suites 700 Saint Paul Bldg Suite 700A & C Six West Fifth Street St. Paul MN 55102

**SCHEDULE OF PLEDGED SHARES**

Nil.

**SCHEDULE OF INTELLECTUAL PROPERTY**

**PATENTS**

Nil.

**TRADEMARKS**

Powerflex	2,062,951	USA
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**COPYRIGHTS**

Nil.

**SCHEDULE OF COMMERCIAL TORT CLAIMS**

-Nil-



**SCHEDULE OF DEPOSIT ACCOUNTS**

Family Guidance International (US) Inc.	Bank of Nova Scotia	91702 02868 18
	JPMorgan Chase	662635895
	TD Bank	3248153023
	TD Bank	1020 7373652
Warren Shepell International Inc.	TD Bank	3248015283
	TD Bank	1025 7393243

**FORM OF IRREVOCABLE PROXY**

KNOW ALL MEN BY THESE PRESENTS that the undersigned does hereby make, constitute and appoint NATIONAL BANK OF CANADA, in its capacity as Agent under the Security Agreement referred to below (in such capacity, together with any successor thereto in such capacity, herein referred to as the "**Agent**"), for the benefit of the Creditors, and each of the Agent's officers and employees, its true and lawful attorneys, for it and in its name, place and stead, to act as its proxy, at all times when an Event of Default (as such term is defined in the Security Agreement referred to below) has occurred and is continuing, in respect of all of the shares of capital stock of \_\_\_\_\_, a \_\_\_\_\_ corporation, (hereinafter referred to as the "**Subsidiary**"), which it now or hereafter may own or hold, including, without limitation, the right, on its behalf, to demand the call by any proper officer of the Subsidiary pursuant to the provisions of the respective certificates of incorporation or by-laws of the Subsidiary and as permitted by law of a meeting of the Subsidiary's respective shareholders and at any meeting of shareholders, annual, general or special, to vote for the transaction of any and all business that may come before such meeting, or at any adjournment thereof, including, without limitation, the right to vote for the sale of all or any part of the respective assets of the Subsidiary and/or the liquidation and dissolution of the Subsidiaries; giving and granting to its said attorneys full power and authority to do and perform each and every act and thing, whether necessary or desirable to be done in and about the premises, as fully as it might or could do if personally present, with full power of substitution, appointment and revocation, hereby ratifying and confirming all that their respective attorneys shall do or cause to be done by virtue hereof.

This Irrevocable Proxy is given to the Agent and to its officers and employees in consideration of the transactions contemplated by, and in order to carry out the covenant of the undersigned contained in, a certain Security Agreement dated as of June 2, 2008, among the undersigned, certain affiliates of the undersigned party thereto, the Agent (as it may be amended, modified or supplemented from time to time, the "**Security Agreement**"), and this Proxy shall be irrevocable and coupled with an interest, and shall be effective and binding upon the undersigned and its successors and assigns until the termination of the Credit Facilities under the Credit Agreement (as such terms are defined in the Security Agreement), the expiration or termination of any letters of credit issued thereunder, the termination of the Netting Period (as defined therein) and the payment in full of all of the Obligations (as defined therein) and may be exercised only after the occurrence and during the continuance of an Event of Default (as defined therein).

This Irrevocable Proxy shall be subject to the terms and conditions of the Security Agreement.

IN WITNESS WHEREOF, the undersigned has caused this Irrevocable Proxy to be executed by its duly authorized officer as of this \_\_\_ day of \_\_\_, 20\_\_.

[\_\_\_\_\_]

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

**SPECIAL POWER OF ATTORNEY**

STATE OF \_\_\_\_\_ )  
  ) ss.:  
COUNTY OF \_\_\_\_\_ )

KNOW ALL MEN BY THESE PRESENTS, THAT \_\_\_\_\_, a \_\_\_\_\_ corporation (the "**Assignor**") hereby irrevocably appoints and constitutes National Bank of Canada, as Agent (the "**Assignee**"), for the benefit of the Creditors, its true and lawful attorney, with full power of substitution, and with full power and authority to perform the following acts on behalf of the Assignor:

1. For the purpose of assigning, selling, licensing or otherwise disposing of all right, title and interest of the Assignor in and to any and all patents listed on Schedule A hereto (the "**Patents**"), any and all trademarks, trade names, trade styles and service marks listed in Schedule B hereto (the "**Trademarks**"), any and all copyrights listed in Schedule C hereto (the "**Copyrights**"), and all registrations, recordings, reissues, extensions and renewals of any of the foregoing, and all pending applications therefor, for the purpose of continuing, protecting and preserving the Patents, the Trademarks and the Copyrights, and for the purpose of the recording, registering and filing of, or accomplishing any other formality with respect to, the foregoing, (a) to execute on its own behalf and/or on the behalf and stead of the Assignor and deliver any and all agreements, documents, instruments of assignment or other papers necessary or advisable to effect such purpose and (b) to take such other actions with respect to the Patents, the Trademarks or the Copyrights as the Assignee deems in its best interest; and

2. To execute on its own behalf and/or on the behalf and stead of the Assignor any and all documents, statements, certificates or other papers necessary or advisable in order to effectuate any of the purposes described above as the Assignee may in its sole discretion determine.

The Assignor hereby ratifies all that the Assignee shall lawfully do or cause to be done under or by virtue of the powers of attorney granted herein and hereby releases the Assignee from any and all claims, causes of action and demands at any time arising out of or with respect to any actions taken or omitted to be taken by the Assignee under the powers of attorney granted herein, other than actions taken or omitted to be taken through the gross negligence or wilful misconduct of the Assignee.

This power of attorney is made pursuant to a Security Agreement dated as of June [2], 2008 among the Assignor, certain affiliates of the Assignor party thereto, and the Assignee (as it may be amended, modified or supplemented from time to time, the "**Security Agreement**"), takes effect and continues to be effective upon the occurrence and during the continuance of an Event of Default (as such term is defined therein), and is subject to the conditions thereof and may not be revoked until the termination of the Credit Facilities under the Credit Agreement (as such terms are defined in the Security Agreement), the expiration or termination of all bankers acceptances, letters of credit and letters of guarantee issued thereunder, and the payment in full of all of the Obligations (as defined therein).

Dated: \_\_\_\_\_, 2008 [ \_\_\_\_\_ ]

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

STATE OF \_\_\_\_\_ )  
 ) ss.:  
 COUNTY OF \_\_\_\_\_ )

On this \_\_\_ day of \_\_\_\_\_, 2008, before me personally appeared \_\_\_\_\_, to me known, who, being by me duly sworn, did depose and say that he is the \_\_\_\_\_ of \_\_\_\_\_, the corporation described in and which executed the foregoing instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was affixed pursuant to authority of the Board of Directors of said corporation, and that he signed his name thereto pursuant to such authority.

\_\_\_\_\_  
 Notary Public

Schedule A to  
Special Power of Attorney

**SCHEDULE OF PATENTS**

**SCHEDULE OF TRADEMARKS**


**SCHEDULE OF COPYRIGHTS**



SUPPLEMENT NO. \_\_\_\_\_, dated as of \_\_\_\_\_, to the Security Agreement dated as of June 2, 2008 (as amended, restated or otherwise modified from time to time, the "**Security Agreement**"), among:

- (i) **MORNEAU SOBECO, LTD.**, a corporation organized under the laws of the State of Delaware ("**Morneau**")
- (ii) Each other direct Subsidiary of the Borrower (as hereinafter defined) that may become a Debtor hereunder from time to time pursuant to Section 29 of the Security Agreement (each, a "**New Debtor**"); and
- (i) **NATIONAL BANK OF CANADA**, a chartered bank incorporated under the laws of Canada, on its own behalf as lender and as agent (together with its successors and permitted assigns, the "**Agent**") for itself and certain financial institutions and other entities from time to time party to the Credit Agreement referred to below, as lenders (the "**Lenders**").

All capitalized terms that are defined in the Security Agreement and are not otherwise defined herein have the respective meanings assigned to them in the Security Agreement.

RECITALS:

A. The Credit Agreement requires certain subsidiaries of the Borrower (each, a "**Relevant Subsidiary**" and collectively the "**Relevant Subsidiaries**") to become parties to the Security Agreement and execute and deliver to the Agent other relevant security documents upon the occurrence of certain circumstances specified therein (each, a "**Triggering Event**" and collectively the "**Triggering Events**").

B. One or more Triggering Events have occurred.

C. Section 29 of the Security Agreement provides that any Relevant Subsidiary may become a Debtor under the Security Agreement by execution and delivery of an instrument in the form of this Supplement.

D. The undersigned Relevant Subsidiary is executing this Supplement, in accordance with the requirements of the Credit Agreement, to become a Debtor under the Security Agreement in order to induce the Creditors to continue to extend credit under the Credit Agreement and/or to induce the Creditors to continue to perform their obligations and undertakings thereunder and as consideration for credit previously extended.

NOW THEREFORE, the undersigned Relevant Subsidiary agrees as follows for the benefit of the Agent and the other Creditors:

1. **Agreement to be Bound by the Security Agreement.**

In accordance with Section 29 of the Security Agreement, the undersigned Relevant Subsidiary by its signature below becomes a Debtor under the Security Agreement with the same force and effect as if originally named therein as a Debtor, and it hereby agrees to all the terms and provisions of the Security Agreement applicable to it as a Debtor thereunder. Each reference to a "Debtor" in the Security Agreement shall be deemed to include the undersigned Relevant Subsidiary. The Security Agreement is hereby incorporated herein by reference.

2. **Representations and Warranties.**

The undersigned Relevant Subsidiary represents and warrants to the Agent, for the benefit of the Creditors, that this Supplement has been duly authorized, executed and delivered by it and constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms.

3. **Miscellaneous.**

This Supplement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single agreement. This Supplement shall become effective when the Agent shall have received counterparts of this Supplement that, when taken together, bear the signatures of the undersigned Relevant Subsidiary, the Agent.

Except as expressly supplemented hereby, the Security Agreement shall remain in full force and effect.

**THIS SUPPLEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO ITS PRINCIPLES OF CONFLICT OF LAWS, OTHER THAN SECTION 5-1401 OF THE GENERAL OBLIGATIONS LAW.**

In case any one or more of the provisions contained in this Supplement should be held invalid, illegal or unenforceable in any respect, no party hereto shall be required to comply with such provision for so long as such provision is held to be invalid, illegal or unenforceable, but the validity, legality and enforceability of the remaining provisions contained herein and in the Security Agreement shall not in any way be affected or impaired.

All communications and notices hereunder shall be in writing and shall be given as provided in the Security Agreement. All communications and notices hereunder to the undersigned Relevant Subsidiary shall be given to it at the address set forth next to its signature.

The undersigned Relevant Subsidiary agrees to reimburse the Agent for its reasonable out-of-pocket expenses in connection with this Supplement, including the reasonable fees, other charges and disbursements of counsel for the Agent.

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

Address: \_\_\_\_\_ [Name of Relevant Subsidiary]

\_\_\_\_\_  
\_\_\_\_\_  
Attention: \_\_\_\_\_  
Telecopier: \_\_\_\_\_

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

NATIONAL BANK OF CANADA,  
as Agent

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

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