

**TRADEMARK ASSIGNMENT**

Electronic Version v1.1  
 Stylesheet Version v1.1

|                       |                   |
|-----------------------|-------------------|
| SUBMISSION TYPE:      | NEW ASSIGNMENT    |
| NATURE OF CONVEYANCE: | SECURITY INTEREST |

**CONVEYING PARTY DATA**

| Name                 | Formerly | Execution Date | Entity Type             |
|----------------------|----------|----------------|-------------------------|
| Dematic Corp.        |          | 09/15/2010     | CORPORATION: DELAWARE   |
| HK Acquisition, Inc. |          | 09/15/2010     | CORPORATION: DELAWARE   |
| HK Systems, Inc.     |          | 09/15/2010     | CORPORATION: WISCONSIN  |
| HK Holdings, Inc.    |          | 09/15/2010     | CORPORATION: WISCONSIN  |
| Irista, Inc.         |          | 09/15/2010     | CORPORATION: WASHINGTON |

**RECEIVING PARTY DATA**

|                 |  |
|-----------------|--|
| Name:           | JPMorgan Chase Bank, N.A., as Administrative Agent |
| Street Address: | 10 South Dearborn Street, 7th Floor                |
| City:           | Chicago  |
| State/Country:  | ILLINOIS   |
| Postal Code:    | 60603  |
| Entity Type:    | National Banking Association: UNITED STATES        |

**PROPERTY NUMBERS Total: 29**

| Property Type        | Number  | Word Mark       |
|----------------------|---------|-----------------|
| Registration Number: | 0691983 | APC             |
| Registration Number: | 3745509 | RAPISTAN        |
| Registration Number: | 1173947 | RAPISTAN        |
| Registration Number: | 0779431 | RAPISTAN        |
| Registration Number: | 1672501 | RAPIDVIEW       |
| Registration Number: | 3456306 | RAPIDSORT       |
| Registration Number: | 2466427 | SORTDIRECTOR    |
| Registration Number: | 2896001 | PLUG & CONVEY   |
| Registration Number: | 2815370 | DIRECTORIT      |
| Registration Number: | 2711916 | PICKDIRECTOR    |
| Registration Number: | 2928595 | STAGINGDIRECTOR |

OP \$740.00 0691983

**900174482**

**TRADEMARK  
 REEL: 004300 FRAME: 0797**

|                      |          |                         |
|----------------------|----------|-------------------------|
| Registration Number: | 2842372  | Q-CAN                   |
| Registration Number: | 3599727  | VPACK                   |
| Registration Number: | 3629866  | DEMATIC IT              |
| Registration Number: | 3694682  | RS-FLEX                 |
| Serial Number:       | 77944987 | ERGOPALL                |
| Serial Number:       | 77954280 | DC DIRECTOR             |
| Serial Number:       | 85027449 | 4 WALLS & 2 WINDOWS     |
| Serial Number:       | 85034315 | RAPIDPICK               |
| Serial Number:       | 77787712 | AMCAP                   |
| Registration Number: | 2076103  | HK SYSTEMS              |
| Registration Number: | 2076102  | HK SYSTEMS              |
| Registration Number: | 2346168  | SMARTCHAIN              |
| Registration Number: | 2234022  | TRANSLIDE               |
| Registration Number: | 2109082  | TRANSORT                |
| Registration Number: | 1818743  | SMARTQUE                |
| Registration Number: | 0997006  | UNIT LOAD               |
| Registration Number: | 3528080  | HK PRODUCTION LOGISTICS |
| Serial Number:       | 77931360 | ARCTIC GUIDED VEHICLE   |

**CORRESPONDENCE DATA**

Fax Number: (734)623-1625  
*Correspondence will be sent via US Mail when the fax attempt is unsuccessful.*  
Phone: (734) 623-1678  
Email: nhudge@dickinsonwright.com  
Correspondent Name: Nora Hudge, Paralegal  
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Address Line 2: 301 East Liberty, Suite 500  
Address Line 4: Ann Arbor, MICHIGAN 48104

|                         |                       |
|-------------------------|-----------------------|
| ATTORNEY DOCKET NUMBER: | 7-4368                |
| NAME OF SUBMITTER:      | Nora Hudge, Paralegal |
| Signature:              | /Nora Hudge/          |
| Date:                   | 10/20/2010            |

Total Attachments: 55  
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source=JPMorgan-HK Holdings IP Security Agt#page3.tif  
source=JPMorgan-HK Holdings IP Security Agt#page4.tif



## PLEDGE AND SECURITY AGREEMENT

THIS PLEDGE AND SECURITY AGREEMENT (as it may be amended or modified from time to time, the "*Security Agreement*") is entered into as of September 15, 2010 by and between Dematic Corp., a Delaware corporation (the "*Borrower*") HK Acquisition, Inc. a Delaware corporation ("*HK Inc.*") HK Systems, Inc., a Wisconsin corporation, ("*HK Systems*"), HK Holdings, Inc., a Wisconsin corporation ("*HK Holdings*"), Irista, Inc. ("*Irista*", the Borrower, HK Inc., HK Systems, HK Holdings and Irista are each a "*Grantor*" and collectively, the "*Grantors*"), and JPMorgan Chase Bank, N.A., in its capacity as administrative agent (the "*Administrative Agent*") for the lenders party to the Credit Agreement from time to time referred to below.

### PRELIMINARY STATEMENT

The Borrower, the Lenders party thereto and the Administrative Agent are entering into a Credit Agreement dated as of the date hereof (as it may be amended or modified from time to time, the "*Credit Agreement*"). Each Grantor is entering into this Security Agreement in order to induce the Lenders to enter into and extend credit to the Borrower under the Credit Agreement and to secure the Secured Obligations.

ACCORDINGLY, each Grantor and the Administrative Agent, on behalf of the Lenders, hereby agree as follows:

### ARTICLE I DEFINITIONS

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

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

**1.3 Definitions of Certain Terms Used Herein.** As used in this Security Agreement, in addition to the terms defined in the Preliminary Statement, the following terms shall have the following meanings:

"*Accounts*" shall have the meaning set forth in Article 9 of the UCC.

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

"*Chattel Paper*" shall have the meaning set forth in Article 9 of the UCC.

"*Collateral*" shall have the meaning set forth in Article II.

"*Collateral Access Agreement*" means any landlord waiver or other agreement, in form and substance reasonably satisfactory to the Administrative Agent, between the Administrative Agent and any third party (including any bailee, consignee, customs broker, or other similar Person) in possession of any Collateral or any landlord of any Loan Party for any real property where any Collateral is located, as such landlord waiver or other agreement may be amended, restated, or otherwise modified from time to time.

"*Commercial Tort Claims*" means any commercial tort claims added hereto pursuant to Section 4.8

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

**“Copyrights”** means, with respect to any Person, all of such Person’s right, title, and interest in and to the following: (a) all copyrights, rights and interests in copyrights, works protectable by copyright, copyright registrations, and copyright applications; (b) all renewals of any of the foregoing; (c) all income, royalties, damages, and payments now or hereafter due and/or payable under any of the foregoing, including, without limitation, damages or payments for past or future infringements for any of the foregoing; (d) the right to sue for past, present, and future infringements of any of the foregoing; and (e) all rights corresponding to any of the foregoing throughout the world.

**“Default”** means any event or condition which constitutes an Event of Default or which upon notice, lapse of time or both would, unless cured or waived, become an Event of Default.

**“Deposit Account Control Agreement”** means an agreement, in form and substance reasonably satisfactory to the Administrative Agent, among any Loan Party, a banking institution holding such Loan Party's funds, and the Administrative Agent with respect to collection and control of all deposits and balances held in a deposit account maintained by any Loan Party with such banking institution.

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

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

**“Effective Date”** means the date of the Credit Agreement.

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

**“Event of Default”** means an event described in Section 5.1.

**“Excluded Collateral”** shall have the meaning set forth in Article II hereof.

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

**“Farm Products”** shall have the meaning set forth in Article 9 of the UCC.

**“Fixtures”** shall have the meaning set forth in Article 9 of the UCC.

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

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

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

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

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

**“Lenders”** means the lenders party to the Credit Agreement and their successors and assigns.

**“Letter-of-Credit Rights”** shall have the meaning set forth in Article 9 of the UCC.

**“Licenses”** means, with respect to any Person, all of such Person’s right, title, and interest in and to (a) any and all licensing agreements or similar arrangements in and to its Patents, Copyrights, or Trademarks, (b) all income, royalties, damages, claims, and payments now or hereafter due or payable under and with respect thereto, including, without limitation, damages and payments for past and future breaches thereof, and (c) all rights to sue for past, present, and future breaches thereof.

**“Lock Boxes”** shall have the meaning set forth in Section 7.1(a).

**“Lock Box Agreements”** shall have the meaning set forth in Section 7.1(a).

**“Obligations”** means all unpaid principal of and accrued and unpaid interest on the Loans, all LC Exposure, all accrued and unpaid fees and all expenses, reimbursements, indemnities and other obligations of the Loan Parties to the Lenders or to any Lender, the Administrative Agent, the Issuing Bank or to the Issuing Bank or any indemnified party arising under the Loan Documents.

**“Patents”** means, with respect to any Person, all of such Person’s right, title, and interest in and to: (a) any and all patents and patent applications; (b) all inventions and improvements described and claimed therein; (c) all reissues, divisions, continuations, renewals, extensions, and continuations-in-part thereof; (d) all income, royalties, damages, claims, and payments now or hereafter due or payable under and with respect thereto, including, without limitation, damages and payments for past and future infringements thereof; (e) all rights to sue for past, present, and future infringements thereof; and (f) all rights corresponding to any of the foregoing throughout the world.

**“Permitted Liens”** means Liens permitted under the Credit Agreement.

**“Pledged Collateral”** means all Instruments, Securities and other Investment Property of each Grantor, whether or not physically delivered to the Administrative Agent pursuant to this Security Agreement.

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

**“Required Secured Parties”** means (a) prior to an acceleration of the Obligations under the Credit Agreement, the Required Lenders, (b) after an acceleration of the Obligations under the Credit Agreement but prior to the date upon which the Credit Agreement has terminated by its terms and all of the obligations thereunder have been paid in full, Lenders holding in the aggregate at least a majority of the total of the Aggregate Credit Exposure, and (c) after the Credit Agreement has terminated by its terms and all of the Obligations thereunder have been paid in full (whether or not the Obligations under the Credit Agreement were ever accelerated), Lenders holding in the aggregate at least a majority of the aggregate net early termination payments and all other amounts then due and unpaid from each Grantor to the Lenders under Swap Agreements, as determined by the Administrative Agent in its reasonable discretion.

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

**“Secured Obligations”** means, collectively, (i) the Obligations, (ii) the Banking Services Obligations and (iii) the Swap Obligations owing to one or more Lenders or their Affiliates, plus any and all other Secured Obligations (as defined in the Credit Agreement), in all cases, of any kind or nature, howsoever created or evidenced and whether now or hereafter existing, direct or indirect (including without limitation any participation interest acquired by any Secured Parties in any such indebtedness, obligations or liabilities of any of the Loan Parties), absolute or contingent, joint and/or several, secured or unsecured, arising by operation of law or otherwise, and whether incurred by the Loan Parties or any of them as principal, surety, endorser, guarantor, accommodation party or otherwise, including without limitation all principal and all interest (including any interest accruing subsequent to any petition filed by or against the Loan Parties or any of them under the U.S. Bankruptcy Code, whether or not an allowed claim), indemnity and reimbursement obligations, charges, expenses, fees, attorneys’ fees and disbursements and any other amounts owing thereunder.

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

“*Stock Rights*” means all dividends, instruments or other distributions and any other right or property which each Grantor shall receive or shall become entitled to receive for any reason whatsoever with respect to, in substitution for or in exchange for any Equity Interest constituting Collateral, any right to receive an Equity Interest and any right to receive earnings, in which each Grantor now has or hereafter acquires any right, issued by an issuer of such Equity Interest.

“*Supporting Obligations*” shall have the meaning set forth in Article 9 of the UCC.

“*Trademarks*” means, with respect to any Person, all of such Person’s right, title, and interest in and to the following: (a) all trademarks (including service marks), trade names, trade dress, and trade styles and the registrations and applications for registration thereof and the goodwill of the business symbolized by the foregoing (other than each application to register any trademark or service mark prior to the filing under applicable law of a verified statement of use for such trademark or service mark); (b) all licenses of the foregoing, whether as licensee or licensor; (c) all renewals of the foregoing; (d) all income, royalties, damages, and payments now or hereafter due or payable with respect thereto, including, without limitation, damages, claims, and payments for past and future infringements thereof; (e) all rights to sue for past, present, and future infringements of the foregoing, including the right to settle suits involving claims and demands for royalties owing; and (f) all rights corresponding to any of the foregoing throughout the world.

“*UCC*” means the Uniform Commercial Code, as in effect from time to time, of the State of New York or of any other state the laws of which are required as a result thereof to be applied in connection with the attachment, perfection or priority of, or remedies with respect to, Administrative Agent's or any Lender's Lien on any Collateral.

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

## ARTICLE II GRANT OF SECURITY INTEREST

Each Grantor hereby pledges, assigns and grants to the Administrative Agent, on behalf of and for the ratable benefit of the Lenders, a security interest in all of such Grantor’s right, title and interest in, to and under all personal property and other assets, whether now owned by or owing to, or hereafter acquired by or arising in favor of such Grantor (including under any trade name or derivations thereof), and whether owned or consigned by or to, or leased from or to, such Grantor, and regardless of where located (all of which will be collectively referred to as the “*Collateral*”), including:

- (i) all Accounts;
- (ii) all Chattel Paper;
- (iii) all Copyrights, Patents and Trademarks;
- (iv) all Documents;
- (v) all Equipment;
- (vi) all Fixtures;
- (vii) all General Intangibles;
- (viii) all Goods;
- (ix) all Instruments;
- (x) all Inventory;
- (xi) all Investment Property;
- (xii) all cash or cash equivalents;

- (xiii) all letters of credit, Letter-of-Credit Rights and Supporting Obligations;
- (xiv) all Deposit Accounts with any bank or other financial institution;
- (xv) all Commercial Tort Claims;
- (xvi) all Farm Products;
- (xvii) and all accessions to, substitutions for and replacements, proceeds (including Stock Rights), insurance proceeds and products of the foregoing, together with all books and records, customer lists, credit files, computer files, programs, printouts and other computer materials and records related thereto and any General Intangibles at any time evidencing or relating to any of the foregoing;

to secure the prompt and complete payment and performance of the Secured Obligations.

Notwithstanding the foregoing, the Collateral shall not include and no Grantor shall be deemed to have granted a security interest in: (i) any Letter-of-Credit Rights to the extent a Grantor is required by applicable Law to apply the proceeds of a drawing of such Letter of Credit for a specified purpose, (ii) any leasehold interest in real property, (iii) any lease, license, contract or agreement to which any Grantor is a party or has any right, title or interest thereunder, if and for so long as the grant of a security interest in, or a collateral assignment of, the foregoing property (i) and (ii) pursuant to this Security Agreement, or inclusion of the foregoing property (i) and (ii) among the Collateral, would constitute or result in (A) the abandonment, invalidation or unenforceability of any right, title or interest of any Grantor therein or (B) a breach or termination pursuant to the terms of, or a default under, any such lease, license, contract or agreement (other than to the extent that any such term would be rendered ineffective pursuant to Sections 9-406, 9-407, 9-408, 9-409 or any other provision of the UCC (or any successor provision or provisions) of any relevant jurisdiction or any other applicable law; provided, however, that such lease, license, contract or agreement shall cease to be excluded from the Collateral immediately at such time as the condition causing such abandonment, invalidation or unenforceability shall be remedied and, to the extent severable, Collateral shall include any portion of such lease, license, contract or agreement that does not result in any of the consequences specified in (A) and (B) hereof, (iv) any asset or property right of a Grantor to the extent that any applicable law or regulation prohibits the creation of a security interest thereon (other than to the extent that any such term would be rendered ineffective pursuant to Sections 9-406, 9-407, 9-408, 9-409 or any other provision of the UCC or any successor provision or provisions of any relevant jurisdiction or any other applicable law), (v) any Trademark applications filed in the United States Patent and Trademark Office on the basis of any Grantor's "intent-to-use" such trademark, unless and until acceptable evidence of use of the Trademark has been filed with the United States Patent and Trademark Office pursuant to Section 1(c) or Section 1(d) of the Lanham Act (15 U.S.C. 1051, et seq.), to the extent that granting a lien in such Trademark application prior to such filing would adversely affect the enforceability or validity of such Trademark application and (vi) any Equity Interest in excess of 65% of the voting Equity Interests of any Foreign Subsidiary (such excluded Collateral described in the foregoing clauses (i) through (vi), the "**Excluded Collateral**")

### ARTICLE III REPRESENTATIONS AND WARRANTIES

Each Grantor represents and warrants to the Administrative Agent and the Lenders that:

**3.1. Title, Perfection and Priority.** Each Grantor has good and valid rights in or the power to transfer the Collateral and title to the Collateral with respect to which it has purported to grant a security interest hereunder, free and clear of all Liens except for Permitted Liens, and has full power and authority to grant to the Administrative Agent the security interest in such Collateral pursuant hereto. When financing statements have been filed in the appropriate offices against each Grantor in the locations listed on Exhibit H, the Administrative Agent will have a fully perfected first-priority security interest in that Collateral in which a security interest may be perfected by filing, subject only to Liens permitted under Section 4.1(e).



**3.2. Type and Jurisdiction of Organization, Organizational and Identification Numbers.** Exhibit A sets forth (i) type of entity of each Grantor, (ii) its state of organization, (iii) the organizational number issued to it by its state of organization and (iv) its federal employer identification number

**3.3. Principal Location.** Exhibit A sets forth each Grantor's mailing address and the location of its place of business (if it has only one) or its chief executive office (if it has more than one place of business). No Grantor has any other places of business where any material assets are located except those set forth in Exhibit A.

**3.4. Collateral Locations.** All of the Grantors' locations where Collateral is located on the date hereof are listed on Exhibit A. All of said locations are owned by each Grantor except for locations (i) which are leased by each Grantor as lessee and designated in Part VII(b) of Exhibit A and (ii) at which Inventory is held in a public warehouse or is otherwise held by a bailee or on consignment as designated in Part VII(c) of Exhibit A.

**3.5. Deposit Accounts.** All of each Grantor's Deposit Accounts are listed on Exhibit B, which exhibit may be updated from time to time by written notice to the Administrative Agent.

**3.6. Exact Names.** Each Grantor's name in which it has executed this Security Agreement is the exact name as it appears in each Grantor's organizational documents, as amended, as filed with each Grantor's jurisdiction of organization.

**3.7. Letter-of-Credit Rights and Chattel Paper.** On the date hereof, Exhibit C lists all Letter-of-Credit Rights and Chattel Paper in excess of \$100,000 of each Grantor. All action by each Grantor necessary or desirable to protect and perfect the Administrative Agent's Lien on each item listed on Exhibit C (including the delivery of all originals and the placement of a legend on all Chattel Paper as required hereunder) has been duly taken. Upon the Administrative Agent obtaining Control of all Letter of Credit Rights and Chattel Paper owned by such Grantor, the Administrative Agent will have a fully perfected first-priority security interest in the Collateral listed on Exhibit C, subject only to Liens permitted under Section 4.1(e).

**3.8. Accounts and Chattel Paper.** The names of the obligors, amounts owing, due dates and other information with respect to the Accounts and Chattel Paper are and will be correctly stated in all material respects in all records of each Grantor relating thereto and in all invoices and reports with respect thereto furnished to the Administrative Agent by each Grantor from time to time.

**3.9. Inventory.** With respect to any Inventory, (a) such Inventory (other than Inventory in transit) is located at one of each Grantors' locations set forth on Exhibit A, (b) no Inventory (other than Inventory in transit) is now, or shall at any time or times hereafter be stored at any other location except as permitted by Section 4.1(g), (c) each Grantor has good and merchantable title to such Inventory and such Inventory is not subject to any Lien or security interest or document whatsoever except for the Lien granted to the Administrative Agent, for the benefit of the Administrative Agent and Lenders, and except for Permitted Liens, (d) to Grantor's knowledge, such Inventory is not subject to any licensing, patent, royalty, trademark, trade name or copyright agreements with any third parties which would require any consent of any third party upon sale or disposition of that Inventory or the payment of any monies to any third party upon such sale or other disposition, (e) such Inventory has been produced in accordance with the Federal Fair Labor Standards Act of 1938, as amended, and all rules, regulations and orders thereunder, and (f) the completion of manufacture, sale or other disposition of such Inventory by the Administrative Agent following an Event of Default shall not require the consent of any Person and shall not constitute a breach or default under any contract or agreement to which each Grantor is a party or to which such property is subject.

**3.10. Intellectual Property.** No Grantor owns any U.S. registered Patent, Trademark or Copyright or any other material Patent, Trademark or Copyright on the date hereof except as set forth on Exhibit D. This Security Agreement is effective to create a valid and continuing Lien and, upon filing of appropriate financing statements in the offices listed on Exhibit H and this Security Agreement with the United States Copyright

Office and the United States Patent and Trademark Office, fully perfected first-priority security interests in favor of the Administrative Agent on each Grantor's U.S. registered Patents, Trademarks and Copyrights listed on such security agreements, such perfected security interests are enforceable as such as against any and all creditors of and purchasers from each Grantor.

**3.11. Filing Requirements.** None of the Equipment is covered by any certificate of title, except for the vehicles used in the ordinary course of business. None of the Collateral is of a type for which security interests or liens may be perfected by filing under any federal statute except for (a) the vehicles described on Exhibit E and (b) Patents, Trademarks and Copyrights held by each Grantor. The county and street address of each property on which any Fixtures are located is set forth in Exhibit F together with the name and address of the record owner of each such property.

**3.12. No Financing Statements, Security Agreements.** No financing statement or security agreement describing all or any portion of the Collateral which has not lapsed or been terminated naming any Grantor as debtor has been filed or is of record in any jurisdiction except (a) for financing statements or security agreements naming the Administrative Agent on behalf of the Lenders as the secured party and (b) as permitted by Section 4.1(e).

**3.13. Pledged Collateral.**

(a) Exhibit G sets forth a complete and accurate list of all of the Pledged Collateral as of the Closing Date. Each Grantor is the direct, sole beneficial owner and sole holder of record of the Pledged Collateral listed on Exhibit G as being owned by it, free and clear of any Liens, except for the security interest granted to the Administrative Agent for the benefit of the Lenders hereunder, and other Permitted Liens. Each Grantor further represents and warrants that (i) all Pledged Collateral constituting an Equity Interest issued by a Subsidiary of such Grantor has been (to the extent such concepts are relevant with respect to such Pledged Collateral) duly authorized, validly issued, are fully paid and non-assessable, (ii) with respect to any certificates delivered to the Administrative Agent representing an Equity Interest, either such certificates are Securities as defined in Article 8 of the UCC as a result of actions by the issuer or otherwise, or, if such certificates are not Securities, each Grantor has so informed the Administrative Agent so that the Administrative Agent may take steps to perfect its security interest therein as a General Intangible and (iii) all Pledged Collateral which represents Indebtedness owed to each Grantor has been duly authorized, authenticated or issued and delivered by the issuer of such Indebtedness, is the legal, valid and binding obligation of such issuer and such issuer is not in default thereunder.

(b) In addition, (i) none of the Pledged Collateral issued by a Subsidiary of a Grantor has been issued or transferred in violation of the securities registration, securities disclosure or similar laws of any jurisdiction to which such issuance or transfer may be subject, (ii) there are existing no options, warrants, calls or commitments of any character whatsoever relating to the Pledged Collateral issued by a Subsidiary of a Grantor or which obligate the issuer of any Equity Interest issued by a Subsidiary of a Grantor included in the Pledged Collateral to issue additional Equity Interests, and (iii) no consent, approval, authorization, or other action by, and no giving of notice, filing with, any governmental authority or any other Person is required for the pledge by each Grantor of the Pledged Collateral pursuant to this Security Agreement or for the execution, delivery and performance of this Security Agreement by each Grantor, or for the exercise by the Administrative Agent of the voting or other rights provided for in this Security Agreement or for the remedies in respect of the Pledged Collateral pursuant to this Security Agreement, except as may be required in connection with such disposition by laws affecting the offering and sale of securities generally.

(c) Except as set forth in Exhibit G, each Grantor owns 100% of the issued and outstanding Equity Interests of its Subsidiaries which constitute Pledged Collateral, and none of the Pledged Collateral which represents Indebtedness owed to any Grantor is subordinated in right of payment to other Indebtedness or subject to the terms of an indenture.

**ARTICLE IV**

## COVENANTS

From the date of this Security Agreement, and thereafter until this Security Agreement is terminated, each Grantor agrees that:

### 4.1. General.

(a) **Collateral Records.** Each Grantor will maintain complete and accurate books and records with respect to the Collateral, and furnish to the Administrative Agent, with sufficient copies for each of the Lenders, such reports relating to the Collateral as the Administrative Agent shall from time to time request.

(b) **Authorization to File Financing Statements; Ratification.** Each Grantor hereby authorizes the Administrative Agent to file, and if requested will deliver to the Administrative Agent, all financing statements and other documents and take such other actions as may from time to time be reasonably requested by the Administrative Agent in order to maintain a first perfected security interest in and, if applicable, Control of, the Collateral subject to Permitted Liens. Any financing statement filed by the Administrative Agent may be filed in any filing office in any UCC jurisdiction and may (i) indicate the Collateral (1) as all assets of each Grantor or words of similar effect, regardless of whether any particular asset comprised in the Collateral falls within the scope of Article 9 of the UCC or such jurisdiction, or (2) by any other description which reasonably approximates the description contained in this Security Agreement, and (ii) contain any other information required by part 5 of Article 9 of the UCC for the sufficiency or filing office acceptance of any financing statement or amendment, including (A) whether each Grantor is an organization, the type of organization and any organization identification number issued to each Grantor, and (B) in the case of a financing statement filed as a fixture filing or indicating Collateral as as-extracted collateral or timber to be cut, a sufficient description of real property to which the Collateral relates. Each Grantor also agrees to furnish any such information to the Administrative Agent promptly upon request. Each Grantor also ratifies its authorization for the Administrative Agent to have filed in any UCC jurisdiction any initial financing statements or amendments thereto if filed prior to the date hereof.

(c) **Further Assurances.** Each Grantor will, if so requested by the Administrative Agent, furnish to the Administrative Agent, statements and schedules further identifying and describing the Collateral and such other reports and information in connection with the Collateral as the Administrative Agent may reasonably request, all in such detail as the Administrative Agent may specify. Each Grantor also agrees to take any and all actions necessary to defend title to the Collateral against all persons and to defend the security interest of the Administrative Agent in the Collateral and the priority thereof against any Lien not expressly permitted hereunder.

(d) **Disposition of Collateral.** Each Grant agrees not to sell, lease or otherwise dispose of the Collateral except for dispositions permitted pursuant to the Credit Agreement.

(e) **Liens.** Each Grantor agrees not to create, incur, or suffer to exist any Lien on the Collateral except (i) the security interest created by this Security Agreement, and (ii) other Permitted Liens.

(f) **Other Financing Statements.** Each Grantor agrees to not authorize the filing of any financing statement naming it as debtor covering all or any portion of the Collateral, except as permitted by Section 4.1(e). Each Grantor acknowledges that it is not authorized to file any financing statement or amendment or termination statement with respect to any financing statement without the prior written consent of the Administrative Agent, subject to each Grantor's rights under Section 9-509(d)(2) of the UCC.

(g) **Locations.** Each Grantor agrees it will not (i) maintain any material Collateral at any location other than those locations listed on Exhibit A, (ii) otherwise change, or add to, such locations without giving 10 Business Days' prior written notice to Administrative Agent, or (iii) change its principal place of business or chief executive office from the location identified on Exhibit A, other than as permitted by the Credit Agreement.

## 4.2. Receivables.

(a) **Collection of Receivables.** Except as otherwise provided in this Security Agreement, each Grantor will collect and enforce, at each Grantor's sole expense, all amounts due or hereafter due to each Grantor under the Receivables; provided that nothing herein shall limit such Grantor's rights to grant discount, credit, rebate or extension on any Receivables in the ordinary course.

(b) **Delivery of Invoices.** Each Grantor will deliver to the Administrative Agent promptly upon its request after the occurrence and during the continuation of an Event of Default duplicate invoices with respect to each Account bearing such language of assignment as the Administrative Agent shall specify.

(c) **Disclosure of Counterclaims on Receivables.** If (i) to the knowledge of each Grantor, any material dispute, setoff, claim, counterclaim or defense exists or has been asserted or threatened with respect to a Receivable or any material discount, credit or agreement to make a rebate or to otherwise reduce the amount owing on a Receivable exists, in each case which is not in the ordinary course of business, and (ii) such matters described in the foregoing clause (i) are not reflected in the most recent financial statements or written reports of any Grantor delivered to the Administrative Agent and the Lenders and aggregate more than \$1,000,000, each Grantor will promptly disclose such fact to the Administrative Agent in writing.

(d) **Electronic Chattel Paper.** Each Grantor shall take all steps necessary to grant the Administrative Agent Control of all electronic chattel paper in excess of \$500,000 in accordance with the UCC and all "transferable records" as defined in each of the Uniform Electronic Transactions Act and the Electronic Signatures in Global and National Commerce Act.

## 4.3. Inventory and Equipment.

(a) **Maintenance of Goods.** Each Grantor will take commercially reasonable steps to maintain, preserve, protect and keep all material Inventory in saleable condition and all material Equipment in good repair and working condition, except for damaged or defective goods arising in the ordinary course of each Grantor's business and except for ordinary wear and tear in respect of the Equipment.

(b) **Inventory Count.** After and during the continuation of an Event of Default, each Grantor will conduct a physical count of the Inventory upon the request of the Administrative Agent. Each Grantor, at its own expense, shall deliver to the Administrative Agent the results of each physical verification, which each Grantor has made, or has caused any other Person to make on its behalf, of all or any portion of its Inventory.

(c) **Equipment.** No Grantor will, without the Administrative Agent's prior written consent, alter or remove any identifying symbol or number on any of the Grantors' Equipment constituting Collateral.

(d) **Titled Vehicles.** If requested by the Administrative Agent after and during the continuation of an Event of Default, each Grantor will provide the Administrative Agent with a list of any vehicle owned by it covered by a certificate of title and deliver to the Administrative Agent the original of any vehicle title certificate and provide and/or file all other documents or instruments necessary to have the Lien of the Administrative Agent noted on any such certificate or with the appropriate state office.

4.4. **Delivery of Instruments, Securities, Chattel Paper and Documents.** Each Grantor will (a) deliver to the Administrative Agent upon execution of this Security Agreement the originals of all Securities issued by Subsidiaries of Grantor (except to the extent constituting Excluded Collateral) and all other Securities (to the extent certificated), Chattel Paper and Instruments constituting Collateral (if any then exist) having a value in excess of \$500,000, (b) hold in trust for the Administrative Agent upon receipt and promptly thereafter deliver to the Administrative Agent any Chattel Paper, Securities and Instruments constituting Collateral having a value in excess of \$500,000, (c) upon the Administrative Agent's request, deliver to the Administrative Agent (and thereafter hold in trust for the Administrative Agent upon receipt and promptly deliver to the

Administrative Agent) any Document evidencing or constituting Collateral, and (d) upon the Administrative Agent's request, deliver to the Administrative Agent a duly executed amendment to this Security Agreement, in the form of Exhibit I hereto (the "**Amendment**"), pursuant to which each Grantor will pledge such additional Collateral. Each Grantor hereby authorizes the Administrative Agent to attach each Amendment to this Security Agreement and agrees that all additional Collateral set forth in such Amendments shall be considered to be part of the Collateral.

**4.5. Uncertificated Pledged Collateral.** Each Grantor will permit the Administrative Agent from time to time to cause the appropriate issuers (and, if held with a securities intermediary, such securities intermediary) of uncertificated securities or other types of Pledged Collateral not represented by certificates to mark their books and records with the numbers and face amounts of all such uncertificated securities or other types of Pledged Collateral not represented by certificates and all rollovers and replacements therefor to reflect the Lien of the Administrative Agent granted pursuant to this Security Agreement. Each Grantor will take any actions necessary to cause (a) the issuers of uncertificated securities which are Pledged Collateral and (b) any securities intermediary which is the holder of any Pledged Collateral, to cause the Administrative Agent to have and retain Control over such Pledged Collateral. Without limiting the foregoing, each Grantor will upon request of the Administrative Agent, with respect to Pledged Collateral held with a securities intermediary, cause such securities intermediary to enter into a control agreement with the Administrative Agent, in form and substance reasonably satisfactory to the Administrative Agent, giving the Administrative Agent Control.

**4.6. Pledged Collateral.**

**(a) Changes in Capital Structure of Issuers.** With respect to any issuers of Equity Interests in which a Grantor owns a majority interest, no Grantor will (i) permit or suffer any issuer of an Equity Interest constituting Pledged Collateral to dissolve, merge, liquidate, retire any of its Equity Interests or other Instruments or Securities evidencing ownership, reduce its capital, sell or encumber all or substantially all of its assets (except for Permitted Liens and sales of assets permitted pursuant to Section 4.1(d)) or merge or consolidate with any other entity, in each case except as permitted by the Credit Agreement, or (ii) vote any Pledged Collateral in favor of any of the foregoing, except to the extent the foregoing is permitted by the Credit Agreement.

**(b) Issuance of Additional Securities.** With respect to issuers in which each Grantor owns a majority interest, no Grantor will permit or suffer the issuer of an Equity Interest constituting Pledged Collateral to issue additional Equity Interests, any right to receive the same or any right to receive earnings, except to a Grantor.

**(c) Registration of Pledged Collateral.** Each Grantor will permit any registerable Pledged Collateral to be registered in the name of the Administrative Agent or its nominee at any time at the option of the Required Secured Parties following and during the continuance of an Event of Default and without further consent of each Grantor.

**(d) Exercise of Rights in Pledged Collateral.**

**(i)** Without in any way limiting the foregoing and subject to clause (ii) below, each Grantor shall have the right to exercise all voting rights or other rights relating to the Pledged Collateral for all purposes not inconsistent with this Security Agreement, the Credit Agreement or any other Loan Document; *provided however, that* except as permitted by the Loan Documents no vote or other right shall be exercised or action taken which would have the effect of impairing in any material respect the rights of the Administrative Agent in respect of the Pledged Collateral.

**(ii)** Each Grantor will permit the Administrative Agent or its nominee at any time after the occurrence and during the continuance of an Event of Default, with concurrent notice given to the applicable Grantor or contemplated by Section 5.2(a)(v), to exercise all voting rights or other rights relating to Pledged Collateral, including, without limitation, exchange, subscription or any other rights,

privileges, or options pertaining to any Equity Interest or Investment Property constituting Pledged Collateral as if it were the absolute owner thereof.

(iii) Each Grantor shall be entitled to collect and receive for its own use all cash dividends and interest paid in respect of the Pledged Collateral to the extent not in violation of the Credit Agreement subject to such Grantor's obligations hereunder; *provided however, that* until actually paid, all rights to such distributions shall remain subject to the Lien created by this Security Agreement.

#### **4.7. Intellectual Property.**

(a) Each Grantor shall notify the Administrative Agent promptly if it knows or has reason to know that any application or registration relating to any material Patent, Trademark or Copyright (now or hereafter existing) may become abandoned or dedicated (other than applications or registrations identified as inactive on Exhibit D attached hereto), or of any adverse determination or development (including the institution of, or any such determination or development in, any proceeding in the United States Patent and Trademark Office, the United States Copyright Office or any court) regarding each Grantor's ownership of any material Patent, Trademark or Copyright, its right to register the same, or to keep and maintain the same.

(b) Upon filing of an application for the registration of any Patent, Trademark or Copyright with the United States Patent and Trademark Office, the United States Copyright Office or any similar office or agency such Grantor shall notify the Administrative Agent thereof (to the extent practical under the circumstances), and, upon request of the Administrative Agent, each Grantor shall execute and deliver any and all security agreements as the Administrative Agent may request to evidence the Administrative Agent's first-priority security interest on such Patent, Trademark or Copyright, and the General Intangibles of each Grantor relating thereto or represented thereby.

(c) Except as permitted under the Credit Agreement, each Grantor shall take all reasonable and necessary actions necessary to maintain and pursue each application, to obtain the relevant registration and to maintain the registration of each material Patent, Trademark and Copyright (now or hereafter existing).

(d) Each Grantor shall, unless it shall reasonably determine that such Patent, Trademark or Copyright is not material to the conduct of its business or operations, promptly take such actions as it deems reasonable under the circumstances, which actions may include suing for infringement, misappropriation or dilution and recovering any and all damages for such infringement, misappropriation or dilution, and during the continuance of an Event of Default shall take such other actions as the Administrative Agent shall deem appropriate under the circumstances to protect such Patent, Trademark or Copyright.

**4.8. Commercial Tort Claims.** Each Grantor shall promptly, and in any event within two Business Days after the same is acquired by it, notify the Administrative Agent of any commercial tort claim in excess of \$1,000,000 (as defined in the UCC) acquired by it and, upon the Administrative Agent's request, such Grantor shall enter into an amendment to this Security Agreement, in the form of Exhibit I hereto, granting to Administrative Agent a first-priority security interest in such commercial tort claim.

**4.9. Letter-of-Credit Rights.** If any Grantor is or becomes the beneficiary of a letter of credit in excess of \$500,000, such Grantor shall promptly, and in any event within two Business Days after becoming a beneficiary, notify the Administrative Agent thereof and upon the request of the Administrative Agent, use commercially reasonable efforts to cause the issuer and/or confirmation bank of such letter of credit to (i) consent to the assignment of any Letter-of-Credit Rights to the Administrative Agent and (ii) agree to direct all payments thereunder to a Deposit Account at the Administrative Agent or subject to a Deposit Account Control Agreement for application to the Secured Obligations, in accordance with Section 2.18 of the Credit Agreement, all in form and substance reasonably satisfactory to the Administrative Agent.

**4.10. Federal, State or Municipal Claims.** Each Grantor will promptly notify the Administrative Agent of any material Collateral which constitutes a claim against the United States government or any state or

local government or any instrumentality or agency thereof, the assignment of which claim is restricted by federal, state or municipal law.

**4.11. No Interference.** Each Grantor agrees that it will not interfere with any right, power and remedy of the Administrative Agent provided for in this Security Agreement or now or hereafter existing at law or in equity or by statute or otherwise, or the exercise or beginning of the exercise by the Administrative Agent of any one or more of such rights, powers or remedies.

**4.12. Insurance.** (a) In the event any Collateral is located in any area that has been designated by the Federal Emergency Management Agency as a "Special Flood Hazard Area", each Grantor shall purchase and maintain flood insurance on such Collateral (including any personal property which is located on any real property leased by such Loan Party within a "Special Flood Hazard Area"). The amount of all insurance required by this Section shall at a minimum comply with applicable law, including the Flood Disaster Protection Act of 1973, as amended. All premiums on such insurance shall be paid when due by such Grantor, and copies of the policies delivered to the Administrative Agent. If any Grantor fails to obtain any insurance as required by this Section, the Administrative Agent at the direction of the Required Lenders may obtain such insurance at such Grantor's expense. By purchasing such insurance, the Administrative Agent shall not be deemed to have waived any Default arising from such Grantor's failure to maintain such insurance or pay any premiums therefor.

(b) All insurance policies required under Section 5.09 of the Credit Agreement shall name the Administrative Agent (for the benefit of the Administrative Agent and the Lenders) as an additional insured or as loss payee, as applicable, and shall contain loss payable clauses or mortgagee clauses, through endorsements in form and substance satisfactory to the Administrative Agent, which provide, unless the Administrative Agent shall otherwise agree, that: (i) all proceeds thereunder with respect to any Collateral shall be payable to the Administrative Agent; (ii) no such insurance shall be affected by any act or neglect of the insured or owner of the property described in such policy; and (iii) such policy and loss payable or mortgagee clauses may be canceled, amended, or terminated only upon at least thirty days prior written notice given to the Administrative Agent.

**4.13. Collateral Access Agreements.** If requested by the Administrative Agent in accordance with the Credit Agreement, each Grantor shall use commercially reasonable efforts to obtain a Collateral Access Agreement, from the lessor of each leased property, mortgagee of owned property or bailee or consignee with respect to any warehouse, processor or converter facility or other location where Collateral is stored or located, which agreement or letter shall provide access rights, contain a waiver or subordination of all Liens or claims that the landlord, mortgagee, bailee or consignee may assert against the Collateral at that location, and shall otherwise be reasonably satisfactory in form and substance to the Administrative Agent. Each Grantor shall timely and fully pay and perform its obligations under all leases and other agreements with respect to each leased location or third party warehouse where any Collateral is or may be located, except where failure to do so would not have a Material Adverse Effect.

**4.14. Deposit Account Control Agreements.** Each Grantor will provide to the Administrative Agent upon the Administrative Agent's request, a Deposit Account Control Agreement duly executed on behalf of each financial institution holding a deposit account (other than tax accounts, accounts used for accounts payable where checks have been issued to third parties, payroll accounts, zero balance employee benefit accounts and other employee wage and benefit payment accounts that any Grantor may hold in trust for the benefit of an unaffiliated third party) of the Grantor as set forth in the Security Agreement; *provided that*, the Administrative Agent may, in its discretion, defer delivery of any such Deposit Account Control Agreement with respect to any deposit account for which the Administrative Agent has not received such Deposit Account Control Agreement, and require such Grantor to open and maintain a new deposit account with a financial institution subject to a Deposit Account Control Agreement.

**4.15. Change of Name or Location; Change of Fiscal Year.** No Grantor shall (a) change its name as it appears in official filings in the state of its incorporation or organization, (b) change its chief executive

office, principal place of business, mailing address, or locations at which Collateral having a value in excess of \$1,000,000 is held or stored, (c) change the type of entity that it is, (d) change its organization identification number, if any, issued by its state of incorporation or other organization, or (e) change its state of incorporation or organization, in each case, unless the Administrative Agent shall have received at least ten(10) days (or such lesser number of days as is acceptable to the Administrative Agent) prior written notice of such change and the Administrative Agent shall have acknowledged in writing that either (1) such change will not adversely affect the validity, perfection or priority of the Administrative Agent's security interest in the Collateral, or (2) any reasonable action requested by the Administrative Agent in connection therewith has been completed or taken (including any action to continue the perfection of any Liens in favor of the Administrative Agent, on behalf of Lenders, in any Collateral), provided that, any new location shall be in the continental U.S. No Grantor shall change its Fiscal Year or Fiscal Quarter end without the prior consent of the Administrative Agent (not to be unreasonably withheld or delayed).

## **ARTICLE V EVENTS OF DEFAULT AND REMEDIES**

**5.1. Events of Default.** The occurrence of an Event of Default under the Credit Agreement shall constitute an Event of Default hereunder.

**5.2. Remedies.**

(a) Upon the occurrence and during the continuance of an Event of Default, the Administrative Agent may, and at the direction of the Required Secured Parties shall, exercise any or all of the following rights and remedies:

(i) those rights and remedies provided in this Security Agreement, the Credit Agreement, or any other Loan Document; *provided that*, this Section 5.2(a) shall not be understood to limit any rights or remedies available to the Administrative Agent and the Lenders prior to an Event of Default;

(ii) those rights and remedies available to a secured party under the UCC (whether or not the UCC applies to the affected Collateral) or under any other applicable law (including, without limitation, any law governing the exercise of a bank's right of setoff or bankers' lien) when a debtor is in default under a security agreement;

(iii) give notice of sole control or any other instruction under any Deposit Account Control Agreement or and other control agreement with any securities intermediary and take any action therein with respect to such Collateral;

(iv) without notice (except as specifically provided in Section 8.1 or elsewhere herein), demand or advertisement of any kind to any Grantor or any other Person, enter the premises of any Grantor where any Collateral is located (through self-help and without judicial process) to collect, receive, assemble, process, appropriate, sell, lease, assign, grant an option or options to purchase or otherwise dispose of, deliver, or realize upon, the Collateral or any part thereof in one or more parcels at public or private sale or sales (which sales may be adjourned or continued from time to time with or without notice and may take place at the such Grantor's premises or elsewhere), for cash, on credit or for future delivery without assumption of any credit risk, and upon such other terms as the Administrative Agent may deem commercially reasonable; and

(v) concurrently with written notice to any Grantor, transfer and register in its name or in the name of its nominee the whole or any part of the Pledged Collateral, to exchange certificates or instruments representing or evidencing Pledged Collateral for certificates or instruments of smaller or larger denominations, to exercise the voting and all other rights as a holder with respect thereto, to collect and receive all cash dividends, interest, principal and other distributions made thereon



and to otherwise act with respect to the Pledged Collateral as though the Administrative Agent was the outright owner thereof.

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

(c) The Administrative Agent shall have the right upon any such public sale or sales and, to the extent permitted by law, upon any such private sale or sales, to purchase for the benefit of the Administrative Agent and the Lenders, the whole or any part of the Collateral so sold, free of any right of equity redemption, which equity redemption any Grantor hereby expressly releases.

(d) Until the Administrative Agent is able to effect a sale, lease, or other disposition of Collateral, the Administrative Agent shall have the right to hold or use Collateral, or any part thereof, to the extent that it deems appropriate for the purpose of preserving Collateral or its value or for any other purpose deemed appropriate by the Administrative Agent. The Administrative Agent may, if it so elects, seek the appointment of a receiver or keeper to take possession of Collateral and to enforce any of the Administrative Agent's remedies (for the benefit of the Administrative Agent and Lenders), with respect to such appointment without prior notice or hearing as to such appointment.

(e) If, after the Credit Agreement has terminated by its terms and all of the Obligations have been paid in full, there remain Swap Obligations outstanding, the Required Secured Parties may exercise the remedies provided in this Section 5.2 upon the occurrence of any event which would allow or require the termination or acceleration of any Swap Obligations pursuant to the terms of the Swap Agreement or Banking Services Obligations.

(f) Notwithstanding the foregoing, neither the Administrative Agent nor the Lenders shall be required to (i) make any demand upon, or pursue or exhaust any of their rights or remedies against, any Grantor, any other obligor, guarantor, pledgor or any other Person with respect to the payment of the Secured Obligations or to pursue or exhaust any of their rights or remedies with respect to any Collateral therefor or any direct or indirect guarantee thereof, (ii) marshal the Collateral or any guarantee of the Secured Obligations or to resort to the Collateral or any such guarantee in any particular order, or (iii) effect a public sale of any Collateral.

(g) Each Grantor recognizes that the Administrative Agent may be unable to effect a public sale of any or all the Pledged Collateral and may be compelled to resort to one or more private sales thereof in accordance with clause (a) above. Each Grantor also acknowledges that any private sale may result in prices and other terms less favorable to the seller than if such sale were a public sale and, notwithstanding such circumstances, agrees that any such private sale shall not be deemed to have been made in a commercially unreasonable manner solely by virtue of such sale being private. The Administrative Agent shall be under no obligation to delay a sale of any of the Pledged Collateral for the period of time necessary to permit any Grantor or the issuer of the Pledged Collateral to register such securities for public sale under the Securities Act of 1933, as amended, or under applicable state securities laws, even if such Grantor and the issuer would agree to do so.

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

(a) assemble and make available to the Administrative Agent the Collateral and all books and records relating thereto at any place or places specified by the Administrative Agent, whether at each Grantor's premises or elsewhere;

(b) permit the Administrative Agent, by the Administrative Agent's representatives and agents, to enter, occupy and use any premises where all or any part of the Collateral, or the books and records relating thereto, or both, are located, to take possession of all or any part of the Collateral or the books and

records relating thereto, or both, to remove all or any part of the Collateral or the books and records relating thereto, or both, and to conduct sales of the Collateral;

(c) furnish to the Administrative Agent, or cause an issuer of Pledged Collateral to furnish to the Administrative Agent, any information regarding the Pledged Collateral in such detail as the Administrative Agent may specify;

(d) at its own expense, cause the applicable Grantor or independent certified public accountants then engaged by each Grantor to prepare and deliver to the Administrative Agent and each Lender, at any time, and from time to time, promptly upon the Administrative Agent's request, the following reports with respect to each Grantor: (i) a reconciliation of all Accounts; (ii) an aging of all Accounts; (iii) trial balances; and (iv) a test verification of such Accounts.

**5.4. Grant of Intellectual Property License.** For the purpose of enabling the Administrative Agent to exercise the rights and remedies under this Article V at such time as the Administrative Agent shall be lawfully entitled to exercise such rights and remedies, each Grantor hereby (a) grants to the Administrative Agent, for the benefit of the Administrative Agent and the Lenders, an irrevocable, nonexclusive license (exercisable without payment of royalty or other compensation to any Grantor) to, following the occurrence and during the continuance of an Event of Default, use, license or sublicense any intellectual property rights now owned or hereafter acquired by each Grantor, and wherever the same may be located, and including in such license access to all media in which any of the licensed items may be recorded or stored and to all computer software and programs used for the compilation or printout thereof and (b) irrevocably agrees that the Administrative Agent may, following the occurrence and during the continuance of an Event of Default, sell any of each Grantor's Inventory directly to any person, including, without limitation, persons who have previously purchased each Grantor's Inventory from any Grantor and in connection with any such sale or other enforcement of the Administrative Agent's rights under this Security Agreement, may sell Inventory which bears any Trademark owned by or licensed to any Grantor and any Inventory that is covered by any Copyright owned by or licensed to any Grantor and the Administrative Agent may finish any work in process and affix any Trademark owned by or licensed to any Grantor and sell such Inventory as provided herein.

## ARTICLE VI ACCOUNT VERIFICATION; ATTORNEY IN FACT; PROXY

**6.1. Account Verification.** The Administrative Agent may in the Administrative Agent's own name, in the name of a nominee of the Administrative Agent, or in the name of any Grantor communicate (by mail, telephone, facsimile or otherwise) with the Account Debtors of such Grantor, parties to contracts with each Grantor and obligors in respect of Instruments of each Grantor to verify with such Persons, to the Administrative Agent's satisfaction, the existence, amount, terms of, and any other matter relating to, Accounts, Instruments, Chattel Paper, payment intangibles and/or other Receivables; provided that any such communication that is made when an Event of Default does not exist shall be made in consultation with each Grantor in a manner reasonably acceptable to the Administrative Agent and the applicable Grantor.

### **6.2. Authorization for Secured Party to Take Certain Action.**

(a) Each Grantor irrevocably authorizes the Administrative Agent at any time and from time to time in the sole discretion of the Administrative Agent and appoints the Administrative Agent as its attorney in fact, (i) to execute on behalf of any Grantor as debtor and to file financing statements necessary or desirable in the Administrative Agent's sole discretion to perfect and to maintain the perfection and priority of the Administrative Agent's security interest in the Collateral, (ii) to file a carbon, photographic or other reproduction of this Security Agreement or any financing statement with respect to the Collateral as a financing statement and to file any other financing statement or amendment of a financing statement (which does not add new collateral or add a debtor) in such offices as the Administrative Agent in its sole discretion deems necessary or desirable to perfect and to maintain the perfection and priority of the Administrative Agent's security interest in the Collateral, (iii) to contact and enter into one or more agreements with the issuers of uncertificated

securities which are Pledged Collateral or with securities intermediaries holding Pledged Collateral as may be necessary or advisable to give the Administrative Agent Control over such Pledged Collateral, (iv) to apply the proceeds of any Collateral received by the Administrative Agent to the Secured Obligations as provided in Section 7.3, and (v) to discharge past due taxes, assessments, charges, fees or Liens on the Collateral (except to the extent being contested by any Grantor in accordance with Section 5.04 of the Credit Agreement and except for Permitted Liens), and each Grantor agrees to reimburse the Administrative Agent upon presentation of a statement in reasonable detail for any payment made or any expense incurred by the Administrative Agent in connection with any of the foregoing; *provided that*, this authorization shall not relieve any Grantor of any of its obligations under this Security Agreement or under the Credit Agreement.

(b) Each Grantor further irrevocably authorizes the Administrative Agent at any time and from time to time in the sole discretion of the Administrative Agent to appoint the Administrative Agent as each Grantor's attorney in fact, following the occurrence and during the continuance of an Event of Default, (i) to endorse and collect any cash proceeds of the Collateral, (ii) to contact Account Debtors for any reason, (iii) to demand payment or enforce payment of the Receivables in the name of the Administrative Agent or any Grantor and to endorse any and all checks, drafts, and other instruments for the payment of money relating to the Receivables, (iv) to sign each Grantor's name on any invoice or bill of lading relating to the Receivables, drafts against any Account Debtor of each Grantor, assignments and verifications of Receivables, (v) to exercise all of each Grantor's rights and remedies with respect to the collection of the Receivables and any other Collateral, (vi) to settle, adjust, compromise, extend or renew the Receivables, (vii) to settle, adjust or compromise any legal proceedings brought to collect Receivables, (viii) to prepare, file and sign each Grantor's name on a proof of claim in bankruptcy or similar document against any Account Debtor of each Grantor, (ix) to prepare, file and sign each Grantor's name on any notice of Lien, assignment or satisfaction of Lien or similar document in connection with the Receivables, (x) to change the address for delivery of mail addressed to any Grantor to such address as the Administrative Agent may designate and to receive, open and dispose of all mail addressed to such Grantor, and (xi) to do all other acts and things necessary to carry out this Security Agreement; and each Grantor agrees to reimburse the Administrative Agent on demand for any payment made or any expense incurred by the Administrative Agent in connection with any of the foregoing; *provided that*, this authorization shall not relieve any Grantor of any of its obligations under this Security Agreement or under the Credit Agreement.

(c) All acts of said attorney or designee are hereby ratified and approved. The powers conferred on the Administrative Agent, for the benefit of the Administrative Agent and Lenders, under this Section 6.2 are solely to protect the Administrative Agent's interests in the Collateral and shall not impose any duty upon the Administrative Agent or any Lender to exercise any such powers. The Administrative Agent agrees that, except for the powers granted in Section 6.2(a)(i)-(v) and Section 6.2(b)(x), it shall not exercise any power or authority granted to it unless an Event of Default has occurred and is continuing.

**6.3. Proxy.** EACH GRANTOR HEREBY IRREVOCABLY CONSTITUTES AND APPOINTS THE ADMINISTRATIVE AGENT AS THE PROXY AND ATTORNEY-IN-FACT (AS SET FORTH IN SECTION 6.2 ABOVE) OF EACH GRANTOR WITH RESPECT TO THE PLEDGED COLLATERAL FOLLOWING THE OCCURRENCE AND DURING THE CONTINUANCE OF AN EVENT OF DEFAULT, INCLUDING THE RIGHT TO VOTE SUCH PLEDGED COLLATERAL, WITH FULL POWER OF SUBSTITUTION TO DO SO. IN ADDITION TO THE RIGHT TO VOTE ANY SUCH PLEDGED COLLATERAL, THE APPOINTMENT OF THE ADMINISTRATIVE AGENT AS PROXY AND ATTORNEY-IN-FACT SHALL INCLUDE THE RIGHT TO EXERCISE ALL OTHER RIGHTS, POWERS, PRIVILEGES AND REMEDIES TO WHICH A HOLDER OF SUCH PLEDGED COLLATERAL WOULD BE ENTITLED (INCLUDING GIVING OR WITHHOLDING WRITTEN CONSENTS OF SHAREHOLDERS, CALLING SPECIAL MEETINGS OF SHAREHOLDERS AND VOTING AT SUCH MEETINGS). SUCH PROXY SHALL BE EFFECTIVE, AUTOMATICALLY AND WITHOUT THE NECESSITY OF ANY ACTION (INCLUDING ANY TRANSFER OF ANY SUCH PLEDGED COLLATERAL ON THE RECORD BOOKS OF THE ISSUER THEREOF) BY ANY PERSON (INCLUDING THE ISSUER OF SUCH PLEDGED COLLATERAL OR ANY OFFICER OR AGENT THEREOF), UPON THE OCCURRENCE OF A DEFAULT.

**6.4. Nature of Appointment; Limitation of Duty.** THE APPOINTMENT OF THE AGENT AS PROXY AND ATTORNEY-IN-FACT IN THIS ARTICLE VI IS COUPLED WITH AN INTEREST AND SHALL BE IRREVOCABLE UNTIL THE DATE ON WHICH THIS SECURITY AGREEMENT IS TERMINATED IN ACCORDANCE WITH SECTION 8.14. NOTWITHSTANDING ANYTHING CONTAINED HEREIN, NEITHER THE AGENT, NOR ANY LENDER, NOR ANY OF THEIR RESPECTIVE AFFILIATES, OFFICERS, DIRECTORS, EMPLOYEES, AGENTS OR REPRESENTATIVES SHALL HAVE ANY DUTY TO EXERCISE ANY RIGHT OR POWER GRANTED HEREUNDER OR OTHERWISE OR TO PRESERVE THE SAME AND SHALL NOT BE LIABLE FOR ANY FAILURE TO DO SO OR FOR ANY DELAY IN DOING SO, EXCEPT IN RESPECT OF DAMAGES ATTRIBUTABLE SOLELY TO THEIR OWN GROSS NEGLIGENCE OR WILLFUL MISCONDUCT AS FINALLY DETERMINED BY A COURT OF COMPETENT JURISDICTION; *PROVIDED THAT*, IN NO EVENT SHALL THEY BE LIABLE FOR ANY PUNITIVE, EXEMPLARY, INDIRECT OR CONSEQUENTIAL DAMAGES.

## **ARTICLE VII COLLECTION AND APPLICATION OF COLLATERAL PROCEEDS; DEPOSIT ACCOUNTS**

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

**7.2. Collection of Receivables.** Following the occurrence and during the continuance of an Event of Default, the Administrative Agent may at any time while the Event of Default is continuing give each Grantor written notice that it is electing to require that the Receivables be paid directly to the Administrative Agent for the benefit of the Lenders. In such event, each Grantor shall, and shall permit the Administrative Agent to, promptly notify the account debtors or obligors under the Receivables of the Lenders' interest therein and direct such account debtors or obligors to make payment of all amounts then or thereafter due under the Receivables directly to the Administrative Agent. Upon receipt of any such notice from the Administrative Agent, each Grantor shall thereafter hold in trust for the Administrative Agent, on behalf of the Lenders, all amounts and proceeds received by it with respect to the Receivables and Other Collateral and promptly and at all times thereafter deliver to the Administrative Agent all such amounts and proceeds in the same form as so received, whether by cash, check, draft or otherwise, with any necessary endorsements. The Administrative Agent shall hold and apply funds so received as provided by the terms of Sections 7.3 and 7.4.

**7.3. Special Collateral Account.** If any Event of Default has occurred and is continuing, the Administrative Agent may require all cash proceeds of the Collateral to be deposited in a special non-interest bearing cash collateral account with the Administrative Agent and held there as security for the Secured Obligations. No Grantor shall have any control whatsoever over said cash collateral account. If any Event of Default has occurred and is continuing, the Administrative Agent may (and shall, at the direction of the Required Secured Parties), from time to time, apply the collected balances in said cash collateral account to the payment of the Secured Obligations whether or not the Secured Obligations shall then be due.

**7.4. Application of Proceeds; Deficiency.** The proceeds of the Collateral shall be applied by the Administrative Agent to payment of the Secured Obligations in the order specified in Section 2.17 of the Credit Agreement. The balance, if any, after all of the Secured Obligations have been satisfied, shall be delivered to such Grantor pursuant to instructions delivered to the Administrative Agent by such Grantor. Each Grantor shall remain liable for any deficiency if the proceeds of any sale or disposition of the Collateral are insufficient to pay all Secured Obligations, including any reasonable and documented attorneys' fees and other expenses incurred by Administrative Agent or any Lender to collect such deficiency.

## ARTICLE VIII GENERAL PROVISIONS

**8.1. Waivers.** Each Grantor hereby waives notice of the time and place of any public sale or the time after which any private sale or other disposition of all or any part of the Collateral may be made. To the extent such notice may not be waived under applicable law, any notice made shall be deemed reasonable if sent to each Grantor, addressed as set forth in Article IX, at least ten days prior to (i) the date of any such public sale or (ii) the time after which any such private sale or other disposition may be made. To the maximum extent permitted by applicable law, each Grantor waives all claims, damages, and demands against the Administrative Agent or any Lender arising out of the repossession, retention or sale of the Collateral, except such as arise solely out of the gross negligence or willful misconduct of the Administrative Agent or such Lender as finally determined by a court of competent jurisdiction. To the extent it may lawfully do so, each Grantor absolutely and irrevocably waives and relinquishes the benefit and advantage of, and covenants not to assert against the Administrative Agent or any Lender, any valuation, stay, appraisal, extension, moratorium, redemption or similar laws and any and all rights or defenses it may have as a surety now or hereafter existing which, but for this provision, might be applicable to the sale of any Collateral made under the judgment, order or decree of any court, or privately under the power of sale conferred by this Security Agreement, or otherwise. Except as otherwise specifically provided herein, each Grantor hereby waives presentment, demand, protest or any notice (to the maximum extent permitted by applicable law) of any kind in connection with this Security Agreement or any Collateral.

**8.2. Limitation on Administrative Agent's and Lenders' Duty with Respect to the Collateral.** The Administrative Agent shall have no obligation to clean-up or otherwise prepare the Collateral for sale. The Administrative Agent and each Lender shall use reasonable care with respect to the Collateral in its possession or under its control. Neither the Administrative Agent nor any Lender shall have any other duty as to any Collateral in its possession or control or in the possession or control of any agent or nominee of the Administrative Agent or such Lender, or any income thereon or as to the preservation of rights against prior parties or any other rights pertaining thereto. To the extent that applicable law imposes duties on the Administrative Agent to exercise remedies in a commercially reasonable manner, each Grantor acknowledges and agrees that it is commercially reasonable for the Administrative Agent (i) to fail to incur expenses deemed significant by the Administrative Agent to prepare Collateral for disposition or otherwise to transform raw material or work in process into finished goods or other finished products for disposition, (ii) to fail to obtain third party consents for access to Collateral to be disposed of, or to obtain or, if not required by other law, to fail to obtain governmental or third party consents for the collection or disposition of Collateral to be collected or disposed of, (iii) to fail to exercise collection remedies against Account Debtors or other Persons obligated on Collateral or to remove Liens on or any adverse claims against Collateral, (iv) to exercise collection remedies against Account Debtors and other Persons obligated on Collateral directly or through the use of collection agencies and other collection specialists, (v) to advertise dispositions of Collateral through publications or media of general circulation, whether or not the Collateral is of a specialized nature, (vi) to contact other Persons, whether or not in the same business as such Grantor, for expressions of interest in acquiring all or any portion of such Collateral, (vii) to hire one or more professional auctioneers to assist in the disposition of Collateral, whether or not the Collateral is of a specialized nature, (viii) to dispose of Collateral by utilizing internet sites that provide for the auction of assets of the types included in the Collateral or that have the reasonable capacity of doing so, or that match buyers and sellers of assets, (ix) to dispose of assets in wholesale rather than retail markets, (x) to disclaim disposition warranties, such as title, possession or quiet enjoyment, (xi) to purchase insurance or credit enhancements to insure the Administrative Agent against risks of loss, collection or disposition of Collateral or to provide to the Administrative Agent a guaranteed return from the collection or disposition of Collateral, or (xii) to the extent deemed appropriate by the Administrative Agent, to obtain the services of other brokers, investment bankers, consultants and other professionals to assist the Administrative Agent in the collection or disposition of any of the Collateral. Each Grantor acknowledges that the purpose of this Section 8.2 is to provide non-exhaustive indications of what actions or omissions by the Administrative Agent would be commercially reasonable in the Administrative Agent's exercise of remedies against the Collateral and that other actions or omissions by the Administrative Agent shall not be deemed commercially unreasonable solely on account of not being indicated in this Section 8.2. Without limitation upon the

foregoing, nothing contained in this Section 8.2 shall be construed to grant any rights to any Grantor or to impose any duties on the Administrative Agent that would not have been granted or imposed by this Security Agreement or by applicable law in the absence of this Section 8.2.

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

**8.4. Secured Party Performance of Grantor Obligations.** Without having any obligation to do so, the Administrative Agent may perform or pay any obligation which each Grantor has agreed to perform or pay in this Security Agreement and each Grantor shall reimburse the Administrative Agent for any reasonable amounts paid by the Administrative Agent pursuant to this Section 8.4. Each Grantor's obligation to reimburse the Administrative Agent pursuant to the preceding sentence shall be a Secured Obligation payable on demand.

**8.5. Specific Performance of Certain Covenants.** Each Grantor acknowledges and agrees that a breach of any of the covenants contained in Sections 4.1(d), 4.1(e), 4.4, 4.5, 4.6, 4.7, 4.8, 4.9, 4.10, 4.12, 4.13, 4.14, 4.15, 5.3, or 8.7 or in Article VII will cause irreparable injury to the Administrative Agent and the Lenders, that the Administrative Agent and Lenders have no adequate remedy at law in respect of such breaches and therefore agrees, without limiting the right of the Administrative Agent or the Lenders to seek and obtain specific performance of other obligations of each Grantor contained in this Security Agreement, that the covenants of each Grantor contained in the Sections referred to in this Section 8.5 shall be specifically enforceable against each Grantor.

**8.6. Dispositions Not Authorized.** No Grantor is authorized to sell nor otherwise dispose of the Collateral except as set forth in Section 4.1(d) and notwithstanding any course of dealing between any Grantor and the Administrative Agent or other conduct of the Administrative Agent, no authorization to sell or otherwise dispose of the Collateral (except as set forth in Section 4.1(d)) shall be binding upon the Administrative Agent or the Lenders unless such authorization is in writing signed by the Administrative Agent with the consent or at the direction of the Required Secured Parties.

**8.7. No Waiver; Amendments; Cumulative Remedies.** No delay or omission of the Administrative Agent or any Lender to exercise any right or remedy granted under this Security Agreement shall impair such right or remedy or be construed to be a waiver of any Default or an acquiescence therein, and any single or partial exercise of any such right or remedy shall not preclude any other or further exercise thereof or the exercise of any other right or remedy. No waiver, amendment or other variation of the terms, conditions or provisions of this Security Agreement whatsoever shall be valid unless in writing signed by the Administrative Agent with the concurrence or at the direction of the Lenders required under Section 9.02 of the Credit Agreement and then only to the extent in such writing specifically set forth. All rights and remedies contained in this Security Agreement or by law afforded shall be cumulative and all shall be available to the Administrative Agent and the Lenders until the Secured Obligations have been paid in full.

**8.8. Limitation by Law; Severability of Provisions.** All rights, remedies and powers provided in this Security Agreement may be exercised only to the extent that the exercise thereof does not violate any applicable provision of law, and all the provisions of this Security Agreement are intended to be subject to all applicable mandatory provisions of law that may be controlling and to be limited to the extent necessary so that they shall not render this Security Agreement invalid, unenforceable or not entitled to be recorded or registered,

in whole or in part. Any provision in any this Security Agreement that is held to be inoperative, unenforceable, or invalid in any jurisdiction shall, as to that jurisdiction, be inoperative, unenforceable, or invalid without affecting the remaining provisions in that jurisdiction or the operation, enforceability, or validity of that provision in any other jurisdiction, and to this end the provisions of this Security Agreement are declared to be severable.

**8.9. Reinstatement.** This Security Agreement shall remain in full force and effect and continue to be effective should any petition be filed by or against each Grantor for liquidation or reorganization, should any Grantor become insolvent or make an assignment for the benefit of any creditor or creditors or should a receiver or trustee be appointed for all or any significant part of any Grantor's assets, and shall continue to be effective or be reinstated, as the case may be, if at any time payment and performance of the Secured Obligations, or any part thereof, is, pursuant to applicable law, rescinded or reduced in amount, or must otherwise be restored or returned by any obligee of the Secured Obligations, whether as a "voidable preference," "fraudulent conveyance," or otherwise, all as though such payment or performance had not been made. In the event that any payment, or any part thereof, is rescinded, reduced, restored or returned, the Secured Obligations shall be reinstated and deemed reduced only by such amount paid and not so rescinded, reduced, restored or returned.

**8.10. Benefit of Agreement.** The terms and provisions of this Security Agreement shall be binding upon and inure to the benefit of each Grantor, the Administrative Agent and the Lenders and their respective successors and assigns (including all persons who become bound as a debtor to this Security Agreement), except that the no Grantor shall have the right to assign its rights or delegate its obligations under this Security Agreement or any interest herein, without the prior written consent of the Administrative Agent. No sales of participations, assignments, transfers, or other dispositions of any agreement governing the Secured Obligations or any portion thereof or interest therein shall in any manner impair the Lien granted to the Administrative Agent, for the benefit of the Administrative Agent and the Lenders, hereunder.

**8.11. Survival of Representations.** All representations and warranties of each Grantor contained in this Security Agreement shall survive the execution and delivery of this Security Agreement.

**8.12. Taxes and Expenses.** Any taxes (other than Excluded Taxes) payable or ruled payable by a Federal or State authority in respect of this Security Agreement shall be paid by each Grantor, together with interest and penalties, if any, except for any interest or penalties caused by the failure of the Administrative Agent to pay any such taxes when due. Each Grantor shall reimburse the Administrative Agent for any and all reasonable and documented out-of-pocket expenses and internal charges (including reasonable attorneys', auditors' and accountants' fees and reasonable time charges of attorneys, paralegals, auditors and accountants who may be employees of the Administrative Agent) paid or incurred by the Administrative Agent in connection with the preparation, execution, delivery, administration, collection and enforcement of this Security Agreement and in the audit, analysis, administration, collection, preservation or sale of the Collateral (including the expenses and charges associated with any periodic or special audit of the Collateral). Any and all costs and expenses incurred by any Grantor in the performance of actions required pursuant to the terms hereof shall be borne solely by such Grantor.

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

**8.14. Termination.** This Security Agreement shall continue in effect (notwithstanding the fact that from time to time there may be no Secured Obligations outstanding) until (i) the Credit Agreement has terminated pursuant to its express terms and (ii) all of the Secured Obligations have been paid in full (or with respect to any outstanding Letters of Credit, a cash deposit or Supporting Letter of Credit has been delivered to the Administrative Agent as required by the Credit Agreement) and no commitments of the Administrative Agent or the Lenders which would give rise to any Secured Obligations are outstanding.

**8.15. Entire Agreement.** This Security Agreement embodies the entire agreement and understanding between each Grantor and the Administrative Agent relating to the Collateral and supersedes all prior agreements and understandings between each Grantor and the Administrative Agent relating to the Collateral.

**8.16. Governing Law; Jurisdiction; Consent to Service of Process.** (a) This Security Agreement shall be construed in accordance with and governed by the law of the State of New York.

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

(c) Each Grantor hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Security Agreement in any court referred to in paragraph (b) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

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

**8.17. WAIVER OF JURY TRIAL. EACH GRANTOR, THE ADMINISTRATIVE AGENT AND EACH LENDER HEREBY WAIVE TRIAL BY JURY IN ANY JUDICIAL PROCEEDING INVOLVING, DIRECTLY OR INDIRECTLY, ANY MATTER (WHETHER SOUNDING IN TORT, CONTRACT OR OTHERWISE) IN ANY WAY ARISING OUT OF, RELATED TO, OR CONNECTED WITH THIS SECURITY AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE RELATIONSHIP ESTABLISHED THEREUNDER.**

**8.18. Indemnity.** Each Grantor hereby agrees to indemnify the Administrative Agent and the Lenders, and their respective successors, assigns, agents and employees, from and against any and all liabilities, damages, penalties, suits, reasonable costs, and expenses of any kind and nature (including, without limitation, all reasonable expenses of litigation or preparation therefor whether or not the Administrative Agent or any Lender is a party thereto) imposed on, incurred by or asserted against the Administrative Agent or the Lenders, or their respective successors, assigns, agents and employees, in any way relating to or arising out of this Security Agreement, or the manufacture, purchase, acceptance, rejection, ownership, delivery, lease, possession, use, operation, condition, sale, return or other disposition of any Collateral (including, without limitation, latent and other defects, whether or not discoverable by the Administrative Agent or the Lenders or each Grantor, and any claim for Patent, Trademark or Copyright infringement), except such as arise out of the gross negligence or willful misconduct of the Administrative Agent or such Lender as finally determined by a court of competent jurisdiction.

**8.19. Counterparts.** This Security Agreement may be executed in any number of counterparts, all of which taken together shall constitute one agreement, and any of the parties hereto may execute this Security Agreement by signing any such counterpart.



**8.20. Releases.** The Administrative Agent may, in accordance with and as permitted by the Credit Agreement or otherwise required by law or by this Agreement, release any of the Collateral from this Security Agreement or may substitute any of the Collateral for other Collateral without altering, varying or diminishing in any way the force, effect, lien, pledge or security interest of this Security Agreement as to any Collateral not expressly released or substituted, and this Security Agreement shall continue as a first priority Lien on all Collateral not expressly released or substituted.

## **ARTICLE IX NOTICES**

**9.1. Sending Notices.** Any notice required or permitted to be given under this Security Agreement shall be sent by United States mail, telecopier, personal delivery or nationally established overnight courier service, and shall be deemed received (a) when received, if sent by hand or overnight courier service, or mailed by certified or registered mail notices or (b) when sent, if sent by telecopier (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next Business Day for the recipient), in each case addressed to each Grantor at the address set forth on Exhibit A as its principal place of business, and to the Administrative Agent and the Lenders at the addresses set forth in accordance with Section 9.01 of the Credit Agreement.

**9.2. Change in Address for Notices.** Any Grantor, the Administrative Agent and the Lenders may change the address for service of notice upon it by a notice in writing to the other parties.

## **ARTICLE X THE ADMINISTRATIVE AGENT**

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

*[Signature page to follow]*

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

GRANTOR:

DEMATIC CORP., a Delaware corporation

By: John K. Baysore

Name: John K. Baysore

Title: President

HK ACQUISITION, INC., a Delaware corporation

By: John K. Baysore

Name: John K. Baysore

Title: President

HK SYSTEMS, INC., a Wisconsin corporation

By: John K. Baysore

Name: John K. Baysore

Title: President

HK HOLDINGS, INC., a Wisconsin corporation

By: Daniel S. Killeen

Name: Daniel S. Killeen

Title: President

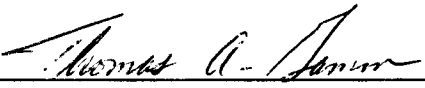
IRISTA, INC., a Washington corporation

By: Daniel S. Killeen

Name: Daniel S. Killeen

Title: President

JPMORGAN CHASE BANK, N.A.,  
as Administrative Agent

By: 

Name: Thomas A. Gamm

Title: Senior Vice President

DETROIT 7-4368 1171641v8

**EXHIBIT A**

(See Sections 3.2, 3.3, 3.4, 3.9 and 9.1 of Security Agreement)

**GRANTOR'S INFORMATION AND COLLATERAL LOCATIONS**

- I. **Name of Grantor:** Dematic Corp.
- II. **State of Incorporation or Organization:** Delaware
- III. **Type of Entity:** corporation
- IV. **Organizational Number assigned by State of Incorporation or Organization:** 4072117
- V. **Federal Identification Number:** 04-3834872
- VI. **Place of Business (if it has only one) or Chief Executive Office (if more than one place of business) and Mailing Address:**

Chief Executive Office and Mailing Address: 507 Plymouth Ave. NE, Grand Rapids, MI 49505

VII. **Locations of Collateral:**

(a) Properties Owned by the Grantor:

- 1) 507 Plymouth Ave. NE, Grand Rapids, MI 49505
- 2) 500 Plymouth Ave. NE, Grand Rapids, MI 49505
- 3) 555 Plymouth Ave. NE, Grand Rapids, MI 49505
- 4) 423 Plymouth Ave. NE, Grand Rapids, MI 49505
- 5) 425 Plymouth Ave. NE, Grand Rapids, MI 49505
- 6) 1755 Michigan Street NE, Grand Rapids, MI 49503
- 7) 1951 Oak Industrial Drive, Grand Rapids, MI 4950

(b) Properties Leased by the Grantor (Include Landlord's Name):

- 1) 6930 Treeline Drive, Brecksville, OH 44141
- 2) 1900 West Park Drive, Suite 280, Offices 40 and 41, Westborough, MA 01581
- 3) 405 State Highway 121, Building D, Lewisville, TX 75057
- 4) 3815 River Crossing Parkway, Suite 100, Indianapolis, IN 46240
- 5) City Tower, 333 City Boulevard West, Suites 1728-1729, Orange, CA 92868
- 6) 39555 Orchard Hill Place, Number 36, Novi, MI 48375
- 7) 6075 The Corners Parkway, Suite 200, Norcross, GA 30092
- 8) 150 Allen Road, Suite 104, Basking Ridge, NJ 07920
- 9) 750 Warrenville Road, Suite 101, Lisle, IL 60532

Landlord:

- 1) Treeline, Inc.
- 2) Fat City, LLC. d/b/a Highland-March Office Business Centers, Westborough
- 3) Jackson-Shaw/Vist Point Limited Partnership

- 4) Office Suites Plus Properties, Inc.
- 5) Regus Management Group LLC
- 6) Regus Management Group LLC
- 7) I&G Peachtree Corners, LLC
- 8) The Realty Associates Fund VII, L.P.
- 9) The Prudential Insurance Company of America

(c) Public Warehouses or other Locations pursuant to Bailment or Consignment Arrangements (include name of Warehouse Operator or other Bailee or Consignee):

- 1) 5015 Citation Drive, Memphis, TN. (New Breed Logistics, Inc.)

- I. **Name of Grantor:** HK Acquisition, Inc.
- II. **State of Incorporation or Organization:** Delaware
- III. **Type of Entity:** corporation
- IV. **Organizational Number assigned by State of Incorporation or Organization:** 4854212
- V. **Federal Identification Number:** 27-3158543
- VI. **Place of Business** (if it has only one) **or Chief Executive Office** (if more than one place of business) **and Mailing Address:**

Chief Executive Office and Mailing Address: 507 Plymouth Ave. NE, Grand Rapids, Michigan 49505

VII. **Locations of Collateral:**

(a) Properties Owned by the Grantor:

None.

(b) Properties Leased by the Grantor (Include Landlord's Name):

None.

Landlord:

(c) Public Warehouses or other Locations pursuant to Bailment or Consignment Arrangements (include name of Warehouse Operator or other Bailee or Consignee):

None.

- I. **Name of Grantor:** HK Systems, Inc.
- II. **State of Incorporation or Organization:** Wisconsin
- III. **Type of Entity:** corporation
- IV. **Organizational Number assigned by State of Incorporation or Organization:** H026716
- V. **Federal Identification Number:** 39-1766857
- VI. **Place of Business (if it has only one) or Chief Executive Office (if more than one place of business) and Mailing Address:**

Chief Executive Office and Mailing Address: 2855 South James Drive, New Berlin, Wisconsin 53151

VII. **Locations of Collateral:**

(a) Properties Owned by the Grantor:

- 1) Building CC off of Cedar Hills Drive, Mossville, IL

(b) Properties Leased by the Grantor (Include Landlord's Name):

- 1) 2855 South James Drive, New Berlin, WI
- 2) 265 South 5200 West, Salt Lake City, UT
- 3) 8012 Tower Point Drive, Charlotte, NC
- 4) 515 East 100 South, Salt Lake City, UT
- 5) 2100 Litton Lane, Hebron, KY
- 6) 2285 Litton Lane, Hebron, KY
- 7) 160 Traders Boulevard East, Mississauga Ontario, Canada

Landlord:

- 1) NL Ventures IV South James, L.P.
- 2) First Industrial Development Services, Inc.
- 3) Herrstromer Properties, LLC
- 4) M&S Income and Growth Fund, LLC
- 5) West Century Building, LLC
- 6) Duke Realty Limited Partnership
- 7) Oakville Gem Construction Ltd.

(c) Public Warehouses or other Locations pursuant to Bailment or Consignment Arrangements (include name of Warehouse Operator or other Bailee or Consignee):

None.

- I. **Name of Grantor:** HK Holdings, Inc.
- II. **State of Incorporation or Organization:** Wisconsin
- III. **Type of Entity:** corporation
- IV. **Organizational Number assigned by State of Incorporation or Organization:** H030909
- V. **Federal Identification Number:** 52-2144659
- VI. **Place of Business** (if it has only one) **or Chief Executive Office** (if more than one place of business) **and Mailing Address:**
- Chief Executive Office and Mailing Address: 2855 South James Drive, New Berlin, WI 53151

VII. **Locations of Collateral:**

(a) Properties Owned by the Grantor:

None.

(b) Properties Leased by the Grantor (Include Landlord's Name):

None.

Landlord:

(c) Public Warehouses or other Locations pursuant to Bailment or Consignment Arrangements (include name of Warehouse Operator or other Bailee or Consignee):

None.



- I. **Name of Grantor:** Irista, Inc.
- II. **State of Incorporation or Organization:** Washington
- III. **Type of Entity:** corporation
- IV. **Organizational Number assigned by State of Incorporation or Organization:** 2-364838-9
- V. **Federal Identification Number:** 91-1303556
- VI. **Place of Business (if it has only one) or Chief Executive Office (if more than one place of business) and Mailing Address:**

Chief Executive Office and Mailing Address: 2855 South James Drive, New Berlin, WI 53151

VII. **Locations of Collateral:**

- (a) Properties Owned by the Grantor:

None.

- (b) Properties Leased by the Grantor (Include Landlord's Name):

None.

Landlord:

- (c) Public Warehouses or other Locations pursuant to Bailment or Consignment Arrangements (include name of Warehouse Operator or other Bailee or Consignee):

None.

**EXHIBIT B**

(See Section 3.5 of Security Agreement)

**DEPOSIT ACCOUNTS**

| <u>Name of Institution</u>   | <u>Account Number</u> | Check here if<br>Deposit Account is a<br>Collateral <u>Deposit</u><br><u>Account</u> | Description of<br>Deposit Account<br>if not a Collateral<br><u>Deposit Account</u>                                  | Grantor    |
|------------------------------|-----------------------|--|---|------------|
| Deutsche Bank                | 00450597              | X  |   | Borrower   |
| Deutsche Bank                | 00538804              |  | Controlled<br>disbursement<br>account for all<br>accounts payable   | Borrower   |
| Deutsche Bank                | 00539225              |  | Controlled<br>disbursement<br>account for all<br>payroll  | Borrower   |
| Deutsche Bank                | 00553756              |  | Controlled<br>disbursement<br>account for<br>Northern Group<br>Services, a third<br>party benefits<br>administrator | Borrower   |
| JPMorgan Chase Bank,<br>N.A. | 660613100             | X  |   | HK Systems |
| JPMorgan Chase Bank,<br>N.A. | 640124731             |  | ZBA Checking<br>Account (MHS)   | HK Systems |
| JPMorgan Chase Bank,<br>N.A. | 640124749             |  | ZBA Checking<br>Account (Hebron)  | HK Systems |
| JPMorgan Chase Bank,<br>N.A. | 640124764             |  | ZBA Checking<br>Account<br>(Benefits)   | HK Systems |
| JPMorgan Chase Bank,<br>N.A. | 754261857             |  | ZBA Checking<br>Account (HKPL)  | HK Systems |
| JPMorgan Chase Bank,<br>N.A. | 731199725             | X  |   | HK Systems |
| JPMorgan Chase Bank,<br>N.A. | 0010057043            |  | Sydney AUD<br>Concentration   | HK Systems |
| JPMorgan Chase Bank,<br>N.A. | 4678889101            |  | Toronto CAD<br>Concentration  | HK Systems |
| JPMorgan Chase Bank,<br>N.A. | 29329678853           | X  |   | HK Systems |
| JPMorgan Chase Bank,<br>N.A. | 555805                | X  |   | HK Systems |

**TRADEMARK****REEL: 004300 FRAME: 0830**

|                      |               |   |                          |            |
|----------------------|---------------|---|--------------------------|------------|
| US Bank              | 0121646510    | X |                          | HK Systems |
| US Bank              | 0194955783    | X |                          | HK Systems |
| US Bank              | 122822627     | X |                          | HK Systems |
| Bank of Montreal     | 0002 1257-921 |   | Canadian AP &<br>Payroll | HK Systems |
| Beehive Credit Union | 428714        | X |                          | HK Systems |

LOCK BOXES

| <u>Name of Institution</u> | <u>Lock Box Number</u> | <u>Grantor</u> |
|----------------------------|------------------------|----------------|
| JPMorgan Chase Bank, N.A.  | 684125                 | HK Systems     |
| Deutsche Bank              | 12021                  | Borrower       |

**EXHIBIT C**  
(See Section 3.7 of Security Agreement)

**LETTER OF CREDIT RIGHTS**

None.

**CHATTEL PAPER**

None.

**EXHIBIT D**

(See Section 3.10 and 3.11 of Security Agreement)

**PATENTS AND PATENT APPLICATIONS****I. Domestic Patents and Patent Applications**

| <b>U S Patent Number</b> | <b>Patent Title</b>   | <b>Grantor</b> |
|--------------------------|---|----------------|
| 6,811,018                | BELT CONVEYOR   | Borrower       |
| 7,093,709                | BELT CONVEYOR   | Borrower       |
| 7,556,144                | BELT CONVEYOR   | Borrower       |
| 6,899,219                | TAPE DRIVE CONVEYOR   | Borrower       |
| 6,971,510                | CURVED BELT CONVEYOR  | Borrower       |
| 6,883,660                | CONVEYOR BED EMERGENCY STOP   | Borrower       |
| 6,868,962                | ADJUSTABLE CONNECTOR FOR NOSE-OVER AND INCLINE/DECLINE ASSEMBLY                               | Borrower       |
| 7,063,206                | ACCUMULATING CONVEYOR SYSTEM  | Borrower       |
| 7,383,935                | MOTORIZED ROLLER TRANSVERSE DRIVE   | Borrower       |
| 7,040,478                | STEERABLE DIVERTER SYSTEM CONVEYOR ROLLER WITH BRAKE  | Borrower       |
| 7,243,784                | ROLLER SHAFT MOUNT  | Borrower       |
| 20080073185              | BELT CONVEYOR AND METHOD  | Borrower       |
| 7,467,708                | BELT CONVEYOR AND METHOD OF CONVERTING A ROLLER CONVEYOR TO A BELT CONVEYOR, AND RETROFIT KIT | Borrower       |
| 2009/0027043             | ROLLER ENCODER  | Borrower       |
| 2008/0164125             | DYNAMIC SINGULATOR  | Borrower       |
| 5,191,967                | CONVEYOR SYSTEM HAVING NON SINGULATING ACCUMULATION CONVEYOR                                  | Borrower       |
| 5,165,515                | SEGMENTED PUSHER CONTROL FOR CONVEYING SYSTEM   | Borrower       |
| 5,038,912                | VERTICALLY ACTUATED TRANSFER SWITCH   | Borrower       |
| 5,127,510                | MODULAR DIVERTER SHOE AND SLAT CONSTRUCTION   | Borrower       |
| 5,415,281                | HIGH SPEED ARTICLE UNSCRAMBLER AND ALIGNER  | Borrower       |
| 5,341,916                | CONTROLLED SPACING INDUCTION  | Borrower       |
| 5,267,638                | DUAL-SERVO CONTROL FOR CONVEYOR INDUCTION SYSTEMS   | Borrower       |

**TRADEMARK****REEL: 004300 FRAME: 0833**

| U S Patent Number | Patent Title  | Grantor  |
|-------------------|---|----------|
| 5,429,225         | MODULAR PNEUMATIC ACCUMULATION CONVEYOR AND METHOD                  |          |
| 5,764,014         | AUTOMATED GUIDED VEHICLE HAVING GROUND TRACK SENSOR                 | Borrower |
| 5,588,520         | CONVEYOR SORTATION SYSTEM WITH PARALLEL DIVERT                      | Borrower |
| 6,065,588         | CONTACT ASSEMBLY FOR ACCUMULATION CONVEYORS                         | Borrower |
| 6,814,216         | POSITIVE DISPLACEMENT SHOE AND SLAT SORTER APPARATUS AND METHOD     | Borrower |
| 6,866,136         | POSITIVE DISPLACEMENT SHOE AND SLAT SORTER APPARATUS AND METHOD     | Borrower |
| 7,086,519         | POSITIVE DISPLACEMENT SHOE AND SLAT SORTER APPARATUS AND METHOD     | Borrower |
| 6,390,277         | UNSCRAMBLING AND ALIGNING CONVEYOR                                  | Borrower |
| 6,659,264         | FEED CONVEYOR SYSTEM INCLUDING AN UNSCRAMBLING AND ALIGNING PORTION | Borrower |
| 6,041,909         | CONVEYOR SORTATION SYSTEM WITH PARALLEL DIVERT                      | Borrower |
| 6,433,331         | PHOTO DETECTOR ALIGNMENT DEVICE                                     | Borrower |
| 6,513,642         | CONVEYOR SYSTEM WITH DIVERTING TRACK NETWORK                        | Borrower |
| 6,345,217         | AUTOMATED GUIDED VEHICLE (AGV) WITH BIPOLAR MAGNET SENSING          | Borrower |
| 6,629,593         | CONVEYOR INDUCTION SYSTEM   | Borrower |
| 7,631,747         | CONVEYOR INDUCT SYSTEM  | Borrower |
| 6,615,972         | SORTATION SYSTEM DIVERTER SWITCH                                    | Borrower |
| 6,622,989         | CONVEYOR TRANSFER LIFT BOX  | Borrower |
| 6,484,869         | CONVEYOR PERSONNEL GATE   | Borrower |
| 6,478,142         | CONTACT ASSEMBLY FOR ACCUMULATION CONVEYORS                         | Borrower |
| 6,951,274         | TIERED CONTROL ARCHITECTURE FOR MATERIAL HANDLING                   | Borrower |
| 7,284,652         | TIERED CONTROL ARCHITECTURE FOR MATERIAL HANDLING                   | Borrower |
| 7,568,572         | TIERED CONTROL ARCHITECTURE FOR MATERIAL HANDLING                   | Borrower |
| 6,640,953         | CONTROLLER GRAVITY ACCUMULATION CONVEYOR                            | Borrower |

| U S Patent Number | Patent Title   | Grantor  |
|-------------------|--|----------|
| 6,923,308         | CONVEYOR SYSTEM WITH DIVERTING TRACK NETWORK   | Borrower |
| 7,055,669         | CONVEYOR SYSTEM WITH DIVERTING TRACK NETWORK   | Borrower |
| 7,419,043         | CONVEYOR SYSTEM WITH DIVERTING TRACK NETWORK   | Borrower |
| 6,644,459         | BELT TRANSFER ASSEMBLY   | Borrower |
| 6,799,099         | MATERIAL HANDLING SYSTEMS WITH HIGH FREQUENCY RADIO LOCATION DEVICES                 | Borrower |
| 6,923,307         | HIGH VOLUME CONVEYOR SORTATION SYSTEM  | Borrower |
| 7,128,197         | HIGH VOLUME CONVEYOR SORTATION SYSTEM  | Borrower |
| 7,033,130         | DEPALLETIZER FOR A MATERIAL HANDLING SYSTEM  | Borrower |
| 6,763,930         | ACCUMULATION CONVEYOR ASSEMBLY   | Borrower |
| 7,114,613         | ARTICLE UNSCRAMBLER WITH HIGH SPEED TAPERED ROLLER                                   | Borrower |
| 6,860,383         | POSITIVE DISPLACEMENT SORTER   | Borrower |
| 7,513,356         | POSITIVE DISPLACEMENT SORTER   | Borrower |
| 6,832,139         | GRAPHICAL SYSTEM CONFIGURATION PROGRAM FOR MATERIAL HANDLING                         | Borrower |
| 7,322,848         | PAPERLESS PICKING SYSTEM   | Borrower |
| 6,782,996         | AXLE CARTRIDGE FOR CONVEYOR ROLLER   | Borrower |
| 7,249,668         | POSITIVE DISPLACEMENT SORTER SHOE  | Borrower |
| 7,628,265         | POSITIVE DISPLACEMENT SORTER SHOE  | Borrower |
| 7,191,895         | CONVEYOR INDUCT SYSTEM WITH PROBABILITY ESTIMATOR                                    | Borrower |
| 7,413,071         | CONVEYOR INDUCTION SUBSYSTEM AND METHOD OF INDUCTING ARTICLES USING FEEDBACK GAPPERS | Borrower |
| 6,935,483         | METAL FRAME SORTER WITH WEAR STRIP   | Borrower |
| 7,240,781         | POSITIVE DISPLACEMENT SORTER   | Borrower |
| 7,364,035         | AIRLESS ACCUMULATION CONVEYOR  | Borrower |
| 2007/0129843      | HIGH VOLUME CONVEYOR SORTATION SYSTEM  | Borrower |
| 7,243,777         | OMEGA PACKAGE SORTER   | Borrower |
| 7,370,751         | SKEWED SLAT CONTROL SYSTEM FOR ARTICLE CONVEYOR                                      | Borrower |
| 7,641,039         | SKEWED SLAT CONTROL SYSTEM FOR ARTICLE CONVEYOR                                      | Borrower |
| 2009/0101475      | ROLLER TRANSPORT CONVEYOR AND METHOD   | Borrower |

| U S Patent Number | Patent Title  | Grantor  |
|-------------------|---|----------|
| 2009/0065330      | CONVEYOR SYSTEMS  | Borrower |
| 2009/0139834      | RETRACTABLE DIVERT NOSE   | Borrower |
| 2009/0071801      | CONVEYOR SYSTEM ALIGNER AND METHOD OF ALIGNING                                  | Borrower |
| 7,562,761         | SLAT DRIVEN POSITIVE DISPLACEMENT SORTER  | Borrower |
| Not Published     | DIAGNOSTIC TOOL FOR MATERIAL HANDLING SYSTEM AND METHOD OF DIAGNOSING           | Borrower |
| 2009/0087295      | GRABBER FOR AUTOMATICALLY GRABBING PACKING UNITS                                | Borrower |
| Not Published     | PROCESS AND DEVICE FOR MULTI-LAYER STACKING ON A SUPPORT                        | Borrower |
| 20100146907       | A STACKING APPARATUS AND METHOD OF MULTI-LAYER STACKING OF OBJECTS ON A SUPPORT | Borrower |
| 2010-0179686A1    | DUAL POWER MOTORIZED ROLLER   | Borrower |
| Not Published     | REDUCING DRAG ON THE WEB OF A POSITIVE DISPLACEMENT SORTER                      | Borrower |
| Not Published     | DIVERTER FOR SORTER AND METHOD OF DIVERTING                                     | Borrower |
| Not Published     | CONVEYOR INDUCT   | Borrower |
| Not Published     | CONVEYOR INDUCT   | Borrower |
| Not Published     | BELT DRIVE CONVEYOR WITH POWER TAP OFF  | Borrower |
| Not Published     | CONVEYOR SYSTEM AND METHOD OF LATERALLY DISPLACING ARTICLES                     | Borrower |
| Not Published     | CONVEYOR SYSTEM AND METHOD OF LATERALLY DISPLACING ARTICLES                     | Borrower |
| 2008/0199297/0    | METHOD AND SYSTEM FOR ASSEMBLING PALLETS FOR STOCK ORDERS                       | Borrower |
| 20100150689A1     | METHOD AND SYSTEM FOR ASSEMBLING PALLETS FOR STOCK ORDERS                       | Borrower |
| Not Published     | GOODS TO PERSON PICKING STATION AND PICKING METHOD                              | Borrower |
| Not Published     | LOW FRICTION V-BELT DRIVEN CURVE CONVEYOR                                       | Borrower |
| 7,150,352         | CURVED BELT CONVEYOR (INACTIVE)   | Borrower |
| 6,484,871         | SEGMENTED BELT TURN CONVEYOR BELT (INACTIVE)                                    | Borrower |
| 6,505,733         | RIGHT ANGLE POWER TRANSFER (INACTIVE)   | Borrower |
| 7,117,988         | POSITIVE DISPLACEMENT SORTER (INACTIVE)   | Borrower |
| 7,124,876         | DIVERTER (INACTIVE)   | Borrower |



| U S Patent Number | Patent Title  | Grantor    |
|-------------------|---|------------|
| 7,132,945         | MATERIAL SUPPORT SYSTEM FOR SUPPORTING ITEMS HAVING RADIO FREQUENCY IDENTIFICATION (RFID) TAGS (INACTIVE) | Borrower   |
| 5,281,901         | Downward Compatible AGV System and Methods  | HK Systems |
| 5,650,703         | Downward Compatible AGV System and Methods  | HK Systems |
| 5,316,130         | Zero Pressure Accumulation Conveyor   | HK Systems |
| 5,906,267         | Zero Pressure Accumulation Conveyor   | HK Systems |
| 5,613,591         | Sortation Conveyor and Devices  | HK Systems |
| 5,934,864         | Case Picking System   | HK Systems |
| 5,733,098         | Case Picking System   | HK Systems |
| 5,400,896         | Descrambler Conveyor  | HK Systems |
| 5,501,315         | Descrambler Conveyor  | HK Systems |
| 5,746,305         | Slat Sorter   | HK Systems |
| 5,875,878         | Roller Shaft Mounting for Sound and Motion Control  | HK Systems |
| 5,878,844         | Ball Screw Joint for an Automated Guided Vehicle  | HK Systems |
| 11/932215         | Automated Order Fulfillment System and Method   | HK Systems |
| 5,813,816         | Storage and Retrieval Machine with Spring Tensioned Shuttle Pulley  | HK Systems |

## II. Foreign Patents and Patent Applications

| Country | Patent Title           | Application date | Application no. | Date of grant | Grant no.  | Grantor  |
|---------|------------------------|------------------|-----------------|---------------|------------|----------|
| JP      | Conveyor Induct System | 11.05.2001       | 2001-582194     |               |            | Borrower |
| CA      | Conveyor Induct System | 11.05.2001       | 2408673         | 02.02.2010    | 2,408,673  | Borrower |
| BR      | Conveyor induct system | 11.05.2001       | PI0110938-3     |               |            | Borrower |
| AU      | Conveyor Induct System | 11.05.2001       | 2001274032      | 11.08.2005    | 2001274032 | Borrower |
| NL      | Conveyor Induct System | 11.05.2001       | 01940467.2      | 23.03.2005    | 1280720    | Borrower |
| IT      | Conveyor Induct System | 11.05.2001       | 01940467.2      | 23.03.2005    | 1280720    | Borrower |
| GB      | Conveyor Induct System | 11.05.2001       | 01940467.2      | 23.03.2005    | 1280720    | Borrower |
| ES      | Conveyor Induct System | 11.05.2001       | 01940467.2      | 23.03.2005    | 2238448    | Borrower |
| DE      | Conveyor Induct        | 11.05.2001       | 01940467.2      | 23.03.2005    | 60109595.2 | Borrower |

| Country | Patent Title  | Application date | Application no. | Date of grant | Grant no. | Grantor  |
|---------|---|------------------|-----------------|---------------|-----------|----------|
|         | System  |                  |                 |               |           |          |
| CA      | Double width crossbelt sorter (Affaticati; Quad Patent)               | 02.10.2000       | 2,388,525       | 05.12.2006    | 2,388,525 | Borrower |
| AU      | Double width crossbelt sorter (Affaticati; Quad Patent)               | 02.10.2000       | 200079129       | 02.09.2004    | 773306    | Borrower |
| GB      | Double width crossbelt sorter (Affaticati; Quad Patent)               | 02.10.2000       | 00969398.7      | 17.03.2004    | 1220719   | Borrower |
| ES      | Double width crossbelt sorter (Affaticati; Quad Patent)               | 02.10.2000       | 00969398.7      | 17.03.2004    | 2218232   | Borrower |
| DE      | Double width crossbelt sorter (Affaticati; Quad Patent)               | 02.10.2000       | 00969398.7      | 17.03.2004    | 1220719   | Borrower |
| CH      | Double width crossbelt sorter (Affaticati; Quad Patent)               | 02.10.2000       | 00969398.7      | 17.03.2004    | 1220719   | Borrower |
| CA      | Unscrambling and aligning conveyor - propelled vertical guide rollers | 22.02.2000       | 2,365,287       | 19.08.2008    | 2,365,287 | Borrower |
| CA      | Contact assembly for accumulation conveyors                           | 02.07.1999       | 2336620         | 01.04.2008    | 2336620   | Borrower |
| AU      | Contact assembly for accumulation conveyors                           | 02.07.1999       | 54093/99        | 03.07.2003    | 758360    | Borrower |
| JP      | Conveying system  | 31.10.1991       | 2001-116911     | 17.01.2003    | 3389225   | Borrower |
| JP      | Conveying system  | 31.10.1991       | 03-286649       | 22.06.2001    | 3201795   | Borrower |
| CA      | Conveying system - RS200  | 29.10.1991       | 2054416         | 22.06.2004    | 2054416   | Borrower |
| JP      | Crossbelt Sortation System  | 06.09.1995       | 07-229311       | 28.07.2006    | 3833734   | Borrower |
| ES      | Crossbelt Sortation System  | 09.03.1995       | 95250055.1      | 09.12.1998    | 2126840   | Borrower |
| DK      | Crossbelt Sortation System  | 09.03.1995       | 95250055.1      | 09.12.1998    | 700844    | Borrower |
| DE      | Sortiersystem mit Querband  | 09.03.1995       | 95250055.1      | 09.12.1998    | 700844    | Borrower |
| CH      | Crossbelt Sortation System  | 09.03.1995       | 95250055.1      | 09.12.1998    | 700844    | Borrower |
| CA      | Positive Displacement Sorter  | 23.09.2005       | 2,569,284       |               |           | Borrower |
| AU      | Positive Displacement   | 23.09.2005       | 2005286623      |               |           | Borrower |

| Country | Patent Title  | Application date | Application no. | Date of grant | Grant no. | Grantor  |
|---------|---|------------------|-----------------|---------------|-----------|----------|
|         | Sorter  |                  |                 |               |           |          |
| IT      | Shoe Sorter - diverting rail with dwell portion, actuators spaced apart by more than one shoe pitch | 23.09.2005       | 05800132.2      | 18.06.2008    | 1 799 365 | Borrower |
| GB      | Shoe Sorter - diverting rail with dwell portion, actuators spaced apart by more than one shoe pitch | 23.09.2005       | 05800132.2      | 18.06.2008    | 1 799 365 | Borrower |
| ES      | Shoe Sorter - diverting rail with dwell portion, actuators spaced apart by more than one shoe pitch | 23.09.2005       | 05800132.2      | 18.06.2008    | 1 799 365 | Borrower |
| DE      | Shoe Sorter - diverting rail with dwell portion, actuators spaced apart by more than one shoe pitch | 23.09.2005       | 05800132.2      | 18.06.2008    | 1 799 365 | Borrower |
| CA      | Motorized Roller Transverse Drive   | 04.08.2004       | 2,534,652       |               |           | Borrower |
| IT      | Motorized Roller Transverse Drive   | 04.08.2004       | 04780057.8      | 22.11.2006    | 1 651 547 | Borrower |
| GB      | Motorized Roller Transverse Drive   | 04.08.2004       | 04780057.8      | 22.11.2006    | 1 651 547 | Borrower |
| DE      | Motorized Roller Transverse Drive   | 04.08.2004       | 04780057.8      | 22.11.2006    | 1 651 547 | Borrower |
| CA      | Conveyor Induct System with Probability Estimator   | 05.10.2004       | 2,541,298       |               |           | Borrower |
| IT      | Conveyor with probability estimator   | 05.10.2004       | 04794221.4-2314 | 10.03.2010    | 1 675 793 | Borrower |
| GB      | Conveyor with probability estimator   | 05.10.2004       | 04794221.4-2314 | 10.03.2010    | 1 675 793 | Borrower |
| ES      | Conveyor with probability estimator   | 05.10.2004       | 04794221.4-2314 | 10.03.2010    | 1 675 793 | Borrower |
| DE      | Conveyor with probability estimator   | 05.10.2004       | 04794221.4-2314 | 10.03.2010    | 1 675 793 | Borrower |
| EP      | Conveyor With Probability Estimator   | 05.10.2004       | 04794221.4-2314 | 10.03.2010    | 1 675 793 | Borrower |
| CA      | Positive Displacement Sorter Shoe   | 30.07.2004       | 2,536,269       |               |           | Borrower |
| IT      | Sorter shoe - lower inclined diverting surface, upper vertical                                      | 30.07.2004       | 04779617.2-2308 | 19.11.2008    | 1 648 803 | Borrower |

| Country | Patent Title  | Application date | Application no.  | Date of grant | Grant no.    | Grantor  |
|---------|---|------------------|------------------|---------------|--------------|----------|
|         | stop surface  |                  |                  |               |              |          |
| GB      | Sorter shoe - lower inclined diverting surface, upper vertical stop surface | 30.07.2004       | 04779617.2-2308  | 19.11.2008    | 1 648 803    | Borrower |
| ES      | Sorter shoe - lower inclined diverting surface, upper vertical stop surface | 30.07.2004       | 04779617.2-2308  | 19.11.2008    | 1 648 803    | Borrower |
| DE      | Sorter shoe - lower inclined diverting surface, upper vertical stop surface | 30.07.2004       | 04779617.2-2308  | 19.11.2008    | 1 648 803    | Borrower |
| GB      | Conveyor system with diverting tracks                                       | 31.10.2002       | 02783063.7       | 21.12.2005    | 1446343      | Borrower |
| DE      | Conveyor system with diverting tracks                                       | 31.10.2002       | 02783063.7       | 21.12.2005    | 60208232.3   | Borrower |
| CA      | Accumulating conveyor system  | 19.09.2003       | 2,499,480        |               |              | Borrower |
| AU      | Accumulating conveyor system  | 19.09.2003       | 2003275098       | 16.10.2008    | 2003275098   | Borrower |
| IT      | Accumulating conveyor system  | 19.09.2003       | 03759368.8-1261  | 20.12.2006    | 1 542 916    | Borrower |
| GB      | Accumulating conveyor system  | 19.09.2003       | 03759368.8-1261  | 20.12.2006    | 1 542 916    | Borrower |
| FR      | Accumulating conveyor system  | 19.09.2003       | 03759368.8-1261  | 20.12.2006    | 1 542 916    | Borrower |
| DE      | Accumulating conveyor system  | 19.09.2003       | 03759368.8-1261  | 20.12.2006    | 1 542 916    | Borrower |
| SG      | Curved Belt Conveyor  | 11.04.2003       | 200405639-6      | 29.09.2006    | 112118       | Borrower |
| NZ      | Curved belt conveyor  | 11.04.2003       | 535789           | 09.03.2006    | 535789       | Borrower |
| MX      | Curved Belt Conveyor - belt tracked by surface contact with rollers         | 11.04.2003       | PA/a/2004/010038 | 22.10.2007    | 250567       | Borrower |
| CN      | Curved belt conveyor  | 11.04.2003       | 03813366.0       | 04.03.2009    | ZL03813366.0 | Borrower |
| CA      | Curved belt conveyor  | 11.04.2003       | 2482069          |               |              | Borrower |
| BR      | Curved Belt Conveyor  | 11.04.2003       | PI0309105-8      |               |              | Borrower |
| AU      | Curved Belt Conveyor  | 11.04.2003       | 2003223546       | 04.12.2008    | 2003223546   | Borrower |
| NL      | Curved Belt Conveyor  | 11.04.2003       | 03719681.3       | 05.03.2008    | 1 529 008    | Borrower |
| IT      | Curved Belt Conveyor  | 11.04.2003       | 03719681.3       | 05.03.2008    | 1 529 008    | Borrower |
| GB      | Curved Belt Conveyor  | 11.04.2003       | 03719681.3       | 05.03.2008    | 1 529 008    | Borrower |
| FR      | Curved Belt Conveyor  | 11.04.2003       | 03719681.3       | 05.03.2008    | 1 529 008    | Borrower |
| ES      | Curved Belt Conveyor  | 11.04.2003       | 03719681.3       | 05.03.2008    | 1 529 008    | Borrower |
| DK      | Curved Belt Conveyor  | 11.04.2003       | 03719681.3       | 05.03.2008    | 1 529 008    | Borrower |

| Country | Patent Title                             | Application date | Application no.  | Date of grant | Grant no.    | Grantor  |
|---------|--|------------------|------------------|---------------|--------------|----------|
| DE      | Curved Belt Conveyor                     | 11.04.2003       | 03719681.3       | 05.03.2008    | 1 529 008    | Borrower |
| CH      | Curved Belt Conveyor                     | 11.04.2003       | 03719681.3       | 05.03.2008    | 1 529 008    | Borrower |
| AT      | Curved Belt Conveyor                     | 11.04.2003       | 03719681.3       | 05.03.2008    | 1 529 008    | Borrower |
| EP      | Shoe sorter - tiered divert control      | 06.06.2002       | 02743159.2       |               |              | Borrower |
| JP      | Article Sortation System                 | 29.05.2002       | 2002-593266      | 20.06.2008    | 4 141 846    | Borrower |
| CA      | Article sortation system                 | 29.05.2002       | 2449143          | 23.09.2008    | 2,449,143    | Borrower |
| AU      | Article Sortation System                 | 29.05.2002       | 2002312958       | 24.01.2008    | 2002312958   | Borrower |
| IT      | System and method for sorting articles   | 29.05.2002       | 02738128.4       | 23.05.2007    | 1 390 280    | Borrower |
| GB      | System and method for sorting articles   | 29.05.2002       | 02738128.4       | 23.05.2007    | 1 390 280    | Borrower |
| DK      | System and method for sorting articles   | 29.05.2002       | 02738128.4       | 23.05.2007    | 1 390 280    | Borrower |
| DE      | System and method for sorting articles   | 29.05.2002       | 02738128.4       | 23.05.2007    | 1 390 280    | Borrower |
| SG      | Belt conveyor                            | 07.02.2003       | 200404021-8      | 31.07.2006    | 105732       | Borrower |
| NZ      | Belt conveyor                            | 07.02.2003       | 534126           | 09.02.2006    | 534126       | Borrower |
| MX      | Belt Conveyor                            | 07.02.2003       | PA/a/2004/007702 | 18.01.2008    | 253544       | Borrower |
| CN      | Belt conveyor and belt accumulator       | 07.02.2003       | 03803695.9       | 21.03.2007    | ZL03803695.9 | Borrower |
| CA      | Belt Conveyor                            | 07.02.2003       | 2475560          |               |              | Borrower |
| BR      | Belt Conveyor                            | 07.02.2003       | PI0307572-9      |               |              | Borrower |
| AU      | Belt Conveyor - initially stretched belt | 07.02.2003       | 2003210926       | 25.09.2008    | 2003210926   | Borrower |
| NL      | Belt Conveyor - initially stretched belt | 07.02.2003       | 03739711.4-2308  | 02.04.2008    | 1 474 347    | Borrower |
| IT      | Belt Conveyor - initially stretched belt | 07.02.2003       | 03739711.4-2308  | 02.04.2008    | 1 474 347    | Borrower |
| GB      | Belt Conveyor - initially stretched belt | 07.02.2003       | 03739711.4-2308  | 02.04.2008    | 1 474 347    | Borrower |
| FR      | Belt Conveyor - initially stretched belt | 07.02.2003       | 03739711.4-2308  | 02.04.2008    | 1 474 347    | Borrower |
| ES      | Belt Conveyor - initially stretched belt | 07.02.2003       | 03739711.4-2308  | 02.04.2008    | 1 474 347    | Borrower |
| DK      | Belt Conveyor - initially stretched belt | 07.02.2003       | 03739711.4-2308  | 02.04.2008    | 1 474 347    | Borrower |
| DE      | Belt Conveyor - initially stretched belt | 07.02.2003       | 03739711.4-2308  | 02.04.2008    | 1 474 347    | Borrower |
| CH      | Belt Conveyor - initially stretched belt | 07.02.2003       | 03739711.4-2308  | 02.04.2008    | 1 474 347    | Borrower |
| AT      | Belt Conveyor -                          | 07.02.2003       | 03739711.4-      | 02.04.2008    | 1 474 347    | Borrower |

| Country | Patent Title   | Application date | Application no.  | Date of grant | Grant no.    | Grantor  |
|---------|--|------------------|------------------|---------------|--------------|----------|
|         | initially stretched belt   |                  | 2308             |               |              |          |
| CA      | High volume conveyor sortation system - defined slug-portions, product slugs, avoiding line-pressure | 21.11.2002       | 2467788          |               |              | Borrower |
| NL      | High Volume Conveyor Induction System  | 21.11.2002       | 02792783.9       | 25.05.2005    | 1448462      | Borrower |
| IT      | High Volume Conveyor Induction System  | 21.11.2002       | 02792783.9       | 25.05.2005    | 1448462      | Borrower |
| GB      | High Volume Conveyor Induction System  | 21.11.2002       | 02792783.9       | 25.05.2005    | 1448462      | Borrower |
| DE      | High Volume Conveyor Induction System  | 21.11.2002       | 02792783.9       | 25.05.2005    | 60204347.6   | Borrower |
| MX      | Positive displacement shoe and slat sorter apparatus and method                                      | 28.09.2001       | PA/a/2003/002620 | 17.11.2006    | 242101       | Borrower |
| KR      | A positive displacement sorter assembly and a method of sorting articles                             | 28.09.2001       | 10-2003-7004454  | 31.07.2008    | 850817       | Borrower |
| JP      | Positive displacement shoe and slat sorter apparatus and method                                      | 28.09.2001       | 2002-530396      |               |              | Borrower |
| CN      | Positive displacement shoe and slat sorter apparatus and method                                      | 28.09.2001       | 01819684.5       | 03.09.2008    | ZL01819684.5 | Borrower |
| CA      | Positive displacement shoe and slat sorter apparatus and method                                      | 28.09.2001       | 2,696,203        |               |              | Borrower |
| CA      | Positive displacement shoe and slat sorter apparatus and method                                      | 28.09.2001       | 2423786          | 01.06.2010    | 2,423,786    | Borrower |
| AU      | Positive displacement shoe and slat sorter apparatus and method                                      | 28.09.2001       | 2002221634       | 09.08.2007    | 2002221634   | Borrower |
| NL      | Positive displacement shoe and slat sorter apparatus and method                                      | 28.09.2001       | 01985691.3-2308  | 21.06.2006    | 1373109      | Borrower |
| IT      | Positive displacement shoe and slat sorter apparatus and method                                      | 28.09.2001       | 01985691.3-2308  | 21.06.2006    | 1373109      | Borrower |

| Country | Patent Title   | Application date | Application no.  | Date of grant | Grant no. | Grantor  |
|---------|--|------------------|------------------|---------------|-----------|----------|
| GB      | Positive displacement shoe and slat sorter apparatus and method  | 28.09.2001       | 01985691.3-2308  | 21.06.2006    | 1373109   | Borrower |
| FR      | Positive displacement shoe and slat sorter apparatus and method  | 28.09.2001       | 01985691.3-2308  | 21.06.2006    | 1373109   | Borrower |
| ES      | Positive displacement shoe and slat sorter apparatus and method  | 28.09.2001       | 01985691.3-2308  | 21.06.2006    | 1373109   | Borrower |
| DK      | Positive displacement shoe and slat sorter apparatus and method  | 28.09.2001       | 01985691.3-2308  | 21.06.2006    | 1373109   | Borrower |
| DE      | Positive displacement shoe and slat sorter apparatus and method  | 28.09.2001       | 01985691.3-2308  | 21.06.2006    | 1373109   | Borrower |
| CA      | Reducing Drag on the Web of a Positive Displacement Sorter       | 25.05.2010       | 2,704,878        |               |           | Borrower |
| AU      | Reducing Drag on the Web of a Positive Displacement Sorter       | 19.05.2010       | 2010202041       |               |           | Borrower |
| MX      | Slat driven positive displacement sorter                         | 20.11.2007       | MX/a/2010/005538 |               |           | Borrower |
| CA      | Slat driven positive displacement sorter                         | 20.11.2007       | 2,705,515        |               |           | Borrower |
| AU      | Slat driven positive displacement sorter                         | 20.11.2007       | 2007361432       |               |           | Borrower |
| EP      | Slat driven positive displacement sorter                         | 20.11.2007       | 07854724.7-1261  |               |           | Borrower |
| CA      | Retractable Diverter Nose  | 28.11.2008       | 2,645,744        |               |           | Borrower |
| CA      | Conveyor Systems   | 29.08.2008       | 2,639,259        |               |           | Borrower |
| CA      | Conveyor system aligner and method of aligning                   | 29.08.2008       | 2,639,256        |               |           | Borrower |
| CA      | Dynamic Singulator   | 08.01.2008       | 2,617,093        |               |           | Borrower |
| CA      | Skewed slat control system for article conveyor                  | 23.05.2007       | 2,635,033        |               |           | Borrower |
| CA      | Sortation System Divert Switch                                   | 26.04.2001       | 2407405          | 24.04.2007    | 2407405   | Borrower |
| CA      | Conveyor system with dynamic gapping and method of slug building | 09.07.2007       | 2,631,584        |               |           | Borrower |
| CA      | Conveyor diverter  | 15.12.2008       | 2,646,766        |               |           | Borrower |

TRADEMARKS AND TRADEMARK APPLICATIONS

I. Domestic Trademarks and Trademark Applications

| Trademark           | Application Number | Filing Date       | Registration Number | Registration Date | Grantor    |
|---------------------|--------------------|-------------------|---------------------|-------------------|------------|
| APC                 |                    |                   | 0691983             |                   | Borrower   |
| RAPISTAN            | N/A                | N/A               | 3745509             | February 2, 2010  | Borrower   |
| RAPISTAN            | N/A                | N/A               | 1173947             | October 20, 1981  | Borrower   |
| RAPISTAN            | N/A                | N/A               | 0779431             | November 3, 1964  | Borrower   |
| RAPIDVIEW           | N/A                | N/A               | 1672501             | January 21, 1992  | Borrower   |
| RAPIDSORT           | N/A                | N/A               | 3456306             | July 1, 2008      | Borrower   |
| SORTDIRECTOR        | N/A                | N/A               | 2466427             | July 3, 2001      | Borrower   |
| PLUG & CONVEY       | N/A                | N/A               | 2896001             | October 19, 2004  | Borrower   |
| DIRECTOR IT         | N/A                | N/A               | 2815370             |                   | Borrower   |
| PICKDIRECTOR        | N/A                | N/A               | 2711916             | April 29, 2003    | Borrower   |
| STAGINGDIRECTOR     | N/A                | N/A               | 2928595             | March 1, 2005     | Borrower   |
| Q-CAN               | N/A                | N/A               | 2842372             | May 18, 2004      | Borrower   |
| VPACK               | N/A                | N/A               | 3599727             | March 31, 2009    | Borrower   |
| DEMATIC IT          | N/A                | N/A               | 3629866             | June 2, 2009      | Borrower   |
| RS-FLEX             | N/A                | N/A               | 3694682             | October 13, 2009  | Borrower   |
| ERGOPALL            | 77/944,987         | February 25, 2010 | N/A                 | N/A               | Borrower   |
| DC DIRECTOR         | 77/954,280         | March 9, 2010     | N/A                 | N/A               | Borrower   |
| 4 WALLS & 2 WINDOWS | 85/027,449         | April 30, 2010    | N/A                 | N/A               | Borrower   |
| RAPIDPICK           | 85/034,315         | May 10, 2010      | N/A                 | N/A               | Borrower   |
| AMCAP               | 77/787,712         | July 23, 2009     | N/A                 | N/A               | Borrower   |
| HK SYSTEMS          | N/A                | N/A               | 2,076,103           | 07/01/1997        | HK Systems |
| HK SYSTEMS & Design | N/A                | N/A               | 2,076,102           | 07/01/1997        | HK         |



| Trademark               | Application Number | Filing Date | Registration Number | Registration Date | Grantor    |
|-------------------------|--------------------|-------------|---------------------|-------------------|------------|
|                         |                    |             |                     |                   | Systems    |
| SMART CHAIN             | N/A                | N/A         | 2,346,168           | 04/25/2000        | HK Systems |
| TRANSLIDE               | N/A                | N/A         | 2,234,022           | 03/23/1999        | HK Systems |
| TRANSPORT               | N/A                | N/A         | 2,109,082           | 10/28/1997        | HK Systems |
| SMARTQUE                | N/A                | N/A         | 1,818,743           | 02/01/1994        | HK Systems |
| UNIT LOAD               | N/A                | N/A         | 997,006             | 10/29/1974        | HK Systems |
| HK PRODUCTION LOGISTICS | N/A                | N/A         | 3,528,080           | 11/04/2008        | HK Systems |
| ARCTIC GUIDED VEHICLE   | 77/931,360         | 02/09/2010  | N/A                 | N/A               | HK Systems |

## II. Foreign Trademarks and Trademark Applications

| Country            | Trademark       | application date | application no. | registration date | registration no. | Grantor    |
|--------------------|-----------------|------------------|-----------------|-------------------|------------------|------------|
| Canada             | CENTURY SYSTEMS | n/a              | n/a             | 10/06/2010        | 448624           | HK Systems |
| Mexico             | HK SYSTEMS      | n/a              | n/a             | 11/06/2009        | 1139380          | HK Systems |
| Mexico             | HK SYSTEMS      | 11/6/2009        | 1046143         | n/a               | n/a              | HK Systems |
| Mexico             | HK SYSTEMS      | 11/6/2009        | 1046142         | n/a               | n/a              | HK Systems |
| Benelux            | APC             |                  |                 | 25.08.1972        | 312648           | Borrower   |
| Australia          | AMCAP           | 14.01.2010       | 1340663         | 19.05.2010        | 1340663          | Borrower   |
| Brazil             | AMCAP           | 19.01.2010       | 830.505         |                   |                  | Borrower   |
| Switzerland        | AMCAP           | 12.01.2010       | 50276/2010      | 07.05.2010        | 600 132          | Borrower   |
| European Community | AMCAP           | 12.01.2010       | 008805566       | 28.06.2010        | 008805566        | Borrower   |
| Mexico             | AMCAP           | 21.01.2010       | 1023988         |                   |                  | Borrower   |
| Norway             | AMCAP           | 15.01.2010       | 201000426       | 27.04.2010        | 255300           | Borrower   |
| New Zealand        | AMCAP           | 14.01.2010       | 818281          | 23.07.2009        | 818281           | Borrower   |
| Australia          | DC DIRECTOR     | 24.06.2010       | 1368524         |                   |                  | Borrower   |
| Switzerland        | DC DIRECTOR     | 01.07.2010       | 56824/2010      |                   |                  | Borrower   |
| European Community | DC DIRECTOR     | 24.06.2010       | 009198276       |                   |                  | Borrower   |
| Norway             | DC DIRECTOR     | 25.06.2010       | 201006678       |                   |                  | Borrower   |
| New Zealand        | DC DIRECTOR     | 24.06.2010       | 826250          |                   |                  | Borrower   |
| Australia          | ERGOPALL        | 20.05.2010       | 1362686         |                   |                  | Borrower   |
| Switzerland        | ERGOPALL        | 20.05.2010       | 55043/2010      |                   |                  | Borrower   |

| Country            | Trademark    | application date | application no. | registration date | registration no. | Grantor  |
|--------------------|--------------|------------------|-----------------|-------------------|------------------|----------|
| European Community | ERGOPALL     | 19.05.2010       | 009116575       |                   |                  | Borrower |
| Norway             | ERGOPALL     | 21.05.2010       | 201005473       |                   |                  | Borrower |
| New Zealand        | ERGOPALL     | 20.05.2010       | 824505          |                   |                  | Borrower |
| Canada             | RAPISTAN     |                  |                 | 23.09.1955        | 101,499          | Borrower |
| Colombia           | RAPISTAN     |                  |                 | 18.02.1966        | 61159            | Borrower |
| Ecuador            | RAPISTAN     |                  |                 | 17.05.1982        | 2645             | Borrower |
| Finland            | RAPISTAN     |                  |                 | 21.07.1980        | 74,067           | Borrower |
| France             | RAPISTAN     |                  |                 | 23.11.1955        | 1,615,372        | Borrower |
| Hong Kong          | RAPISTAN     |                  |                 | 23.03.1990        | 2716/91          | Borrower |
| Japan              | RAPISTAN     |                  |                 | 10.12.1960        | 561,170          | Borrower |
| New Zealand        | RAPISTAN     |                  |                 | 18.05.1964        | 73864            | Borrower |
| New Zealand        | RAPISTAN     |                  |                 | 04.11.1963        | 74549            | Borrower |
| Egypt              | RAPISTAN     |                  |                 | 15.06.1981        | 59,177           | Borrower |
| Egypt              | RAPISTAN     |                  |                 | 15.06.1981        | 59,178           | Borrower |
| CTM                | SORTDIRECTOR |                  |                 | 29.01.2003        | 003043131        | Borrower |

#### COPYRIGHTS AND COPYRIGHT APPLICATIONS

##### I. Domestic Copyrights and Copyright Applications

| Title                                      | Registration Date | Registration Number | Grantor    |
|--|-------------------|---------------------|------------|
| Downward Compatible AGV System and Methods | 1992              | TXu507823           | HK Systems |

**EXHIBIT E**  
(See Section 3.11 of Security Agreement)

**TITLE DOCUMENTS**

None.

**EXHIBIT F**  
(See Section 3.11 of Security Agreement)

FIXTURE LOCATIONS

1. City Tower, 333 City Boulevard West, Suites 1728-1729, Orange, CA 92868 (Orange County)

Record Owner: Regus Management Group LLC

Address: City Tower  
333 City Blvd West  
Suite 1700  
Orange, CA 92868

2. 6075 The Corners Parkway, Suite 200, Norcross, GA 30092 (Gwinnett County)

Record Owner: I&G Peachtree Corners, LLC

Address: c/o TPA Realty Services LLC  
11555 Medlock Bridge Road, Suite 150  
Duluth, GA 30097  
Attention: Sr. Property Manager, The Corners

3. 750 Warrenville Road, Lisle, IL 60532 (DuPage County)

Record Owner: The Prudential Insurance Company of America

Address: Prudential Real Estate Investors  
8 Campus Drive  
4th Floor- Arbor Circle South  
Parsippany, NJ 07054-4493  
Attn: Wally Hachil

4. 3815 River Crossing Parkway, Suite 100, Indianapolis, IN 46240 (Marion County)

Record Owner: Office Suites PLUS at Keystone

Address: Attn: Amanda Avery  
3815 River Crossing Parkway  
Suite 100  
Indianapolis, IN 46240

5. 2100 Litton Lane, Hebron, KY 41048 (Boone County)

Record Owner: The Airport Freeway Center, LLC, and K Associates

Address: c/o ARKA Properties Group  
9350 Wilshire Boulevard  
Suite 302  
Beverly Hills, CA 90212

6. 2285 Litton Lane, Hebron, KY 41048 (Boone County)

Record Owner: Duke Realty Limited Partnership

Address: Attn: Vice President, Asst Management and Customer Service

4555 Lake Forest Drive  
Suite 400  
Cincinnati, OH 45242

7. 1900 West Park Drive, Suite 280, Westborough, MA 01581 (Worcester County)  
  
Record Owner: Fat City, LLC. d/b/a Highland-March Office Business Centers, Westborough  
Address: 1900 West Park Drive  
Suite 280  
Westborough, MA 01581
8. 39555 Orchard Hill Place, Number 36, Novi, MI 48375 (Oakland County)  
  
Record Owner: Regus Management Group LLC  
Address: 39555 Orchard Hill Place  
Suite 600  
Novi, MI 48375
9. 8012 Tower Point Drive, Charlotte, NC 28227 (Mecklenburg County)  
  
Record Owner: Herrstromer Properties, LLC  
Address: c/o Mats Herrstromer, Manager  
8012 Tower Point Drive  
Charlotte, NC 28227
10. 150 Allen Road, Suite 104, Basking Ridge, NJ 07920 (Somerset County)  
  
Record Owner: The Realty Associates Fund VII, L.P.  
Address: c/o Kwartler Associates, Inc.  
2 North Street  
Waldwick, NJ 07463
11. 6930 Treeline Drive, Brecksville, OH 44141 (Cuyahoga County)  
  
Record Owner: Treeline, Inc.  
Address: 9139 Hillside Road  
Independence, OH 44131
12. 405 State Highway 121, Building D, Lewisville, TX 75057 (Denton County)  
  
Record Owner: Jackson-Shaw/Vista Point Limited Partnership  
Address: 4890 Alpha Road  
Suite 100  
Dallas, TX 75244
13. 2885 South James Drive, New Berlin, WI 53151 (Waukesha County)  
  
Record Owner: Welsh HK WI, LLC  
Address: 4350 Baker Road  
Suite 400  
Minneapolis, MN 55343

14. 265 South 5200 West, Salt Lake City, UT 84104 (Salt Lake County)

Record Owner: First Industrial Development Services, Inc.

Address: First Industrial Realty Trust, Inc.

311 South Wacker Drive

Suite 4000

Chicago, IL 60606

First Industrial Realty Trust, Inc.

1270 W. 2320 South

Suite C

West Valley City, UT 84119

15. 160 Traders Boulevard East, Mississauga, Ontario, Canada (Regional Municipality of Peel)

Record Owner: Oakville Gem Construction, Ltd.

Address: c/o Lisgar Development Ltd

277 Lakeshore Rd., East

Suite 300

Oakville, ON L6K 1H9

## EXHIBIT G

(See Section 3.13 of Security Agreement and Definition of "Pledged Collateral")

### LIST OF PLEDGED COLLATERAL, SECURITIES AND OTHER INVESTMENT PROPERTY

#### STOCKS

- 1) 100 shares of common stock of Irista, Inc. owned by HK Systems, Inc.
- 2) 100 shares of common stock of HK Holdings, Inc. owned by HK Systems, Inc.
- 3) 65 shares of common stock of HISCO Systems of Canada, Limited owned by HK Systems, Inc.
- 4) 65,000 shares of common stock of HK Systems Canada, Incorporated owned by HK Holdings, Inc.
- 5) 100 shares of common stock of HK Systems, Inc. owned by Dematic Corp.
- 6) 100 shares of common stock of HK Acquisition, Inc. owned by Dematic Corp.
- 7) 1 share of stock of Adept Technology Inc. owned by HK Systems, Inc.
- 8) 5 shares of stock of American Software Inc. owned by HK Systems, Inc.
- 9) 5 shares of stock of Broules Automation Inc. owned by HK Systems, Inc.
- 10) 10 shares of stock of Columbus McKinnon Corp. owned by HK Systems, Inc.
- 11) 5 shares of stock of DT Industries Inc. owned by HK Systems, Inc.
- 12) 5 shares of stock of Manhattan Associates Inc. owned by HK Systems, Inc.
- 13) 7 shares of stock of Paragon Technologies, Inc. owned by HK Systems, Inc.
- 14) 5 shares of stock of Robocom Systems International Inc. owned by HK Systems, Inc.

#### BONDS

None.

#### GOVERNMENT SECURITIES

None.

#### OTHER SECURITIES OR OTHER INVESTMENT PROPERTY (CERTIFICATED AND UNCERTIFICATED)

- 1) Intercompany Hedge Agreements between Dematic Corp. and Dematic Holding Sarl
- 2) Intercompany loans made by Dematic Corp. from time to time pursuant to that certain Cross Border Cash Concentration Agreement with Dematic Holding Sarl
- 3) Intercompany notes issued from time to time by Dematic Holding Sarl to Dematic Corp.

**EXHIBIT H**

(See Section 3.1 of Security Agreement)

**OFFICES IN WHICH FINANCING STATEMENTS HAVE BEEN FILED**

| <b>Grantor</b>       | <b>Filing Office</b> |
|----------------------|----------------------|
| Dematic Corp.        | Delaware             |
| HK Acquisition, Inc. | Delaware             |
| HK Systems, Inc.     | Wisconsin            |
| HK Holdings, Inc.    | Wisconsin            |
| Irista, Inc.         | Washington           |



**EXHIBIT I**

(See Section 4.4 and 4.8 of Security Agreement)

AMENDMENT

This Amendment, dated \_\_\_\_\_, \_\_\_ is delivered pursuant to Section 4.4 of the Security Agreement referred to below. All defined terms herein shall have the meanings ascribed thereto or incorporated by reference in the Security Agreement. The undersigned hereby certifies that the representations and warranties in Article III of the Security Agreement are and continue to be true and correct. The undersigned further agrees that this Amendment may be attached to that certain Pledge and Security Agreement, dated September 15, 2010, between the undersigned, as the Grantor, and JPMorgan Chase Bank, N.A., as the Administrative Agent, (the "***Security Agreement***") and that the Collateral listed on Schedule I to this Amendment shall be and become a part of the Collateral referred to in said Security Agreement and shall secure all Secured Obligations referred to in said Security Agreement.

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

SCHEDULE I TO AMENDMENT

STOCKS

| <u>Issuer</u> | <u>Certificate Number(s)</u> | <u>Number of Shares</u> | <u>Class of Stock</u> | <u>Percentage of Outstanding Shares</u> |
|---------------|------------------------------|-------------------------|-----------------------|---|
|               |                              |                         |                       |   |
|               |                              |                         |                       |   |
|               |                              |                         |                       |   |

BONDS

| <u>Issuer</u> | <u>Number</u> | <u>Face Amount</u> | <u>Coupon Rate</u> | <u>Maturity</u> |
|---------------|---------------|--------------------|--------------------|-----------------|
|               |               |                    |                    |                 |
|               |               |                    |                    |                 |
|               |               |                    |                    |                 |

GOVERNMENT SECURITIES

| <u>Issuer</u> | <u>Number</u> | <u>Type</u> | <u>Face Amount</u> | <u>Coupon Rate</u> | <u>Maturity</u> |
|---------------|---------------|-------------|--------------------|--------------------|-----------------|
|               |               |             |                    |                    |                 |
|               |               |             |                    |                    |                 |
|               |               |             |                    |                    |                 |

OTHER SECURITIES OR OTHER INVESTMENT PROPERTY  
(CERTIFICATED AND UNCERTIFICATED)

| <u>Issuer</u> | <u>Description of Collateral</u> | <u>Percentage Ownership Interest</u> |
|---------------|----------------------------------|--------------------------------------|
|               |                                  |                                      |
|               |                                  |                                      |
|               |                                  |                                      |

[Add description of custody accounts or arrangements with securities intermediary, if applicable]

COMMERCIAL TORT CLAIMS

| <u>Description of Claim</u> | <u>Parties</u> | <u>Case Number; Name of Court where Case was Filed</u> |
|-----------------------------|----------------|--|
|                             |                |  |
|                             |                |  |

DETROIT 7-4368 1171641v3