

10/29/10

10-29-2010



103610313

To the Director of the U. S. Patent and Trademark Office

Documents or the new address(es) below.

1. Name of conveying party(ies):

DORSEY SCHOOL OF BUSINESS HOLDINGS, INC.

- Individual(s)
- Association
- General Partnership
- Limited Partnership
- Corporation- State: DELAWARE
- Other _____

Citizenship (see guidelines) _____

Additional names of conveying parties attached? Yes No

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

Execution Date(s) 10/22/2010

- Assignment
- Merger
- Security Agreement
- Change of Name
- Other SECURITY AND PLEDGE AGREEMENT

2. Name and address of receiving party(ies)

Additional names, addresses, or citizenship attached? Yes No

Name: AMALGAMATED BANK
 Internal Address: _____
 Street Address: 275 SEVENTH AVENUE, 14TH FLOOR
 City: NEW YORK
 State: NEW YORK
 Country: USA Zip: 10001

- Association Citizenship _____
- General Partnership Citizenship _____
- Limited Partnership Citizenship _____
- Corporation Citizenship _____
- Other BANK Citizenship _____

If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No
(Designations must be a separate document from assignment)



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

A. Trademark Application No.(s)

B. Trademark Registration No.(s)

3,210,064

Additional sheet(s) attached? Yes No

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

Trademark: The Career Connection

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

Name: MICHAEL J. CLAIN, ESQ.

Internal Address: WINDELS MARX LANE & MITTENDORE, LLP

Street Address: 156 WEST 56TH STREET

City: NEW YORK

State: NEW YORK Zip: 10019

Phone Number: 212 237 1035

Fax Number: 212 262 1215

Email Address: MCLAIN@WINDELSMARX.COM

6. Total number of applications and registrations involved:

1

7. Total fee (37 CFR 2.6(b)(6) & 3.41) \$ 40.00

- Authorized to be charged to deposit account
- Enclosed

8. Payment Information:

10/29/2010 AMULLINS 00000027 3210064
 Deposit Account Number _____ 40.00
01 FC:0521
 Authorized User Name _____

9. Signature:

Michael J. Clain
Signature

10/26/10
Date

MICHAEL J. CLAIN

Name of Person Signing

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

51

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

CONTINUATION OF ITEM 1:

Additional Conveying Party:

DORSEY SCHOOL OF BUSINESS, INC.
Corporation – State of Michigan

Page 2 to Cover Sheet

SECURITY AND PLEDGE AGREEMENT

SECURITY AND PLEDGE AGREEMENT (this "Agreement"), dated as of October 22, 2010, among:

- (i) **DORSEY SCHOOL OF BUSINESS HOLDINGS, INC.**, a corporation organized under the laws of the State of Delaware ("**Borrower**");
- (ii) **DORSEY SCHOOL OF BUSINESS, INC.**, a corporation organized under the laws of the State of Michigan ("**DSB**");
- (iii) Any other entity that may become a Debtor hereunder from time to time pursuant to Section 29 herein; and
- (iv) **AMALGAMATED BANK** (together with all affiliates and successors thereof, the "**Bank**").

The Persons listed in clauses (i) - (iii) above shall be collectively referred to herein as the "**Debtors**" and individually as a "**Debtor**", it being understood that DSB is not a borrower or primary obligor with respect to the Obligations (defined below).

RECITALS:

A. (i) Borrower and Bank are entering into a Credit Agreement dated as of the date hereof (as it may be amended, restated, supplemented or otherwise modified from time to time, the "**Credit Agreement**"), providing for extensions of credit by the Bank to the Borrower, in the amounts, and subject to the terms and conditions, specified therein, and (ii) DSB is entering into a guaranty in favor of the Bank in connection with the Credit Agreement (DSB, together with any other entity that may from time to time become a guarantor in connection with the Credit Agreement, collectively, the "**Guarantors**").

B. Borrower owns beneficially and of record 100% of the outstanding capital stock of DSB.

C. The execution and delivery of this Agreement and the grant by the Debtors to the Bank of security interests in the Collateral specified herein constitute conditions precedent to the extension of any credit by the Bank to the Borrower pursuant to the terms and conditions of the Credit Agreement.

ACCORDINGLY, in consideration of the premises and in order to induce the Bank to enter into the Credit Agreement and to extend credit to the Borrower thereunder, and for other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the Debtors hereby agree with the Bank as follows:

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

“Accounts” means all accounts receivable, book debts, notes, drafts, instruments, documents, acceptances and other forms of obligations now owned or hereafter received or acquired by or belonging or owing to any of the Debtors (including, without limitation, under any trade names, styles or divisions thereof), whether arising from (a) the sale, lease, licensing, assignment or other disposition of goods by any of the Debtors, (b) services rendered or to be rendered by any of the Debtors, (c) a policy of insurance issued or to be issued by any of the Debtors, (d) a secondary obligation incurred or to be incurred by any of the Debtors, or (e) any other transaction, including, but not limited to, all “accounts” as such term is defined in the Uniform Commercial Code.

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

“Collateral” has the meaning specified in Section 2.

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

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

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

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

“Copyright Licenses” means any agreement, written or oral, naming any Debtor as licensor or licensee, granting any right to use any Copyright, now in existence or hereafter arising, including without limitation those listed on Schedule IV, if any.

“**Credit Agreement**” has the meaning specified in Recital A.

“**Debtor**” and “**Debtors**” have the respective meanings specified in the preamble to this Agreement.

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

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

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

“**Event of Default**” means any event that constitutes an Event of Default under the Credit Agreement.

“**Excluded Collateral**” means (i) any Fiduciary Account and any funds on deposit therein, (ii) any rights or interest in any Proscribed Contract, as defined in, and to the extent not included as Collateral pursuant to, Section 30 hereof, (iii) property that now or hereafter is subject to a purchase money security interest (“PMSI”) that is a Permitted Lien, to the extent that the agreement to which the PMSI pertains prohibits other Liens on the applicable property, (iv) deposit accounts consisting of payroll, pension or other accounts of any Debtor to the extent funds in such accounts are being held by the Debtor for the benefit of a third party, and (v) any property in which a security interest may not be granted pursuant to applicable law.

“**Fiduciary Account**” means any deposit or trust account into which only governmental funds are deposited or credited and held by an institution as fiduciary for the benefit of students, including Title IV Trust Accounts (including Direct Loan accounts) or other similar State grant accounts.

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

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

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

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

"HEA" means the Higher Education Act of 1965, as amended.

"Instrument" means any "instrument", as such term is defined in the Uniform Commercial Code, now owned or hereafter acquired by any Debtor, including without limitation those listed in Schedule V.

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

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

"Investment Property" means any "investment property", as such term is defined in the Uniform Commercial Code, now owned or hereafter acquired by any Debtor; provided, however that in no event shall "Investment Property" include in excess of sixty-five percent (65%) of the issued and outstanding capital stock, membership units or other securities owned or held of record by a Debtor in any Subsidiary of such Debtor which is not an entity organized under the laws of the United States or any territory thereof (each a **"Foreign Subsidiary"**).

"Issuer" means each issuer of Pledged Shares.

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

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

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

"Obligations" means all indebtedness, liabilities and obligations of any Debtor to the Bank, present or future, direct or indirect, absolute or contingent under or relating to any Loan Document, including without limitation the obligation of the Borrower to repay the principal amount of all Loans made to it under the Credit Agreement in full when due, to pay interest thereon at the rates and on the dates specified in the Credit Agreement, and to pay the fees specified in the Credit Agreement in full when due at the rates and on the dates specified therein, the obligation of the Guarantors to make payments to the Bank pursuant to the Guaranty, the Debtors' respective obligations to indemnify the Bank, and to pay costs and expenses, as

provided herein or in any other Loan Document, and any other obligations of any of the Debtors that constitute "Obligations" under, and as such term is defined in, the Credit Agreement.

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

"Patent License" means any agreement, written or oral, providing for the grant by or to any Debtor of any right to use any Patent, now in existence or hereafter arising, including without limitation those listed on Schedule IV.

"Permitted Lien" means any Lien that is permitted pursuant to Section 7.3 of the Credit Agreement.

"Person" means any individual, partnership, corporation, business trust, joint stock company, trust, unincorporated association, joint venture, governmental authority or other entity of whatever nature.

"Pledged Collateral" means the Collateral described in Section 2(i).

"Pledged Shares" means all of the equity interests now or at any time hereafter owned by any Debtor in any entity, including without limitation those listed in Schedule III, together with all certificates evidencing such equity interests.

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

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

“**Title IV Trust Account**” means any trust account holding “Title IV HEA Program Funds” under the terms of 34 C.F.R. §668.161(b) and 34 C.F.R. §668.163.

“**Trademarks**” means (i) all trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, logos and other source or business identifiers, and the goodwill associated therewith, now existing or hereafter adopted or acquired by any Debtor, all registrations and recordings thereof, including without limitation those listed on Schedule IV, and all applications in connection therewith, whether in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof or any other country or any political subdivision thereof, or otherwise, and (ii) all renewals thereof.

“**Trademark Licenses**” means any agreement, written or oral, providing for the grant by or to any Debtor of any right to use any Trademark, now in existence or hereafter arising, including without limitation those listed on Schedule IV.

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

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

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

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

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

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

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

2. Security Interest. As security for the due and punctual payment and performance of all of the Obligations, each Debtor hereby pledges and assigns to the Bank, and hereby grants to the Bank a lien upon and a continuing security interest in, all of such Debtor's rights, title and interests in, to and under all personal property and fixtures of such Debtor, whether now owned or hereafter acquired and wherever located, and whether now existing or hereafter arising or created (all such property and assets are herein collectively called the "Collateral"), including, without limitation, the following:

- (a) all Accounts of such Debtor;
- (b) all Inventory of such Debtor;
- (c) all Documents of such Debtor
- (d) all Equipment of such Debtor, including, without limitation, all Vehicles of such Debtor;
- (e) all Goods of such Debtor;
- (f) all Contracts and Contract Rights of such Debtor;
- (g) all Instruments and Chattel Paper of such Debtor;
- (h) all General Intangibles of such Debtor, including, without limitation, all Intellectual Property of such Debtor;
- (i) all Investment Property and other Financial Assets of such Debtor, including, without limitation, (i) the Pledged Shares, (ii) all cash, instruments, securities or other property representing a dividend or other distribution on any of the Pledged Shares, or representing a distribution or return of capital upon or in respect of the Pledged Shares, or resulting from a split-up, revision, reclassification or other like change of the Pledged Shares or otherwise received in exchange therefor, (iii) any warrants, rights or options issued to the holders of, or otherwise in respect of, the Pledged Shares, and (iv) in the event of any consolidation or merger of any Issuer in which such Issuer is not the surviving corporation, all shares of each class of the capital stock of the successor corporation formed by or resulting from such consolidation or merger (provided that nothing herein contained shall be deemed to constitute consent under, or waiver of, any provision of any Loan Document which prohibits such consolidation or merger by any Issuer);
- (j) all Fixtures of such Debtor;
- (k) all Deposit Accounts of such Debtor;
- (l) all Letter of Credit Rights of such Debtor;
- (m) all Commercial Tort Claims of such Debtor;
- (n) all cash and currency of such Debtor;

(o) all Supporting Obligations that may now or at any time hereafter support the payment or performance of any Account, General Intangible, Chattel Paper, Document, Instrument or Investment Property of such Debtor:

(p) all software of such Debtor;

(q) all books and records (including, without limitation, computer programs, tapes and related electronic data processing software) relating to such Debtor's Accounts, Inventory, Equipment, Contracts, Intellectual Property, Investment Property, Financial Assets, Deposit Accounts, Letter of Credit Rights, Commercial Tort Claims, software or other assets; and

(r) to the extent not otherwise included, all cash and non-cash Proceeds and products of any of the foregoing;

provided, however, that notwithstanding any provision of this Agreement to the contrary, the Collateral shall in no event include any Excluded Collateral.

3. Obligations Absolute. (a) Each Debtor hereby agrees that this Agreement shall be binding upon such Debtor, and the grant to the Bank of security interests in the Collateral hereunder shall be irrevocable and unconditional, irrespective of the validity, legality or enforceability of any Loan Document or any of the Obligations, the absence of any action to enforce the same, the waiver or consent by the Bank with respect to any provision thereof, the recovery of any judgment against any other Person, or any action to enforce the same or any other similar circumstances. Each Debtor hereby waives diligence, presentment, demand of payment, filing of claims with a court in the event of merger or bankruptcy of such Debtor, any notice to require a proceeding first against any other Person, protest or notice with respect to any promissory note or other evidence of indebtedness secured hereby or the indebtedness evidenced thereby and all demands whatsoever, and covenants that this Agreement will remain in full force and effect so long as any Borrower may borrow under the Credit Agreement or any Obligations remain unpaid.

(b) Each Debtor agrees that, without notice to or further assent by such Debtor, the liability of any other Person for or upon any of the Obligations may, from time to time, in whole or in part, be renewed, extended, modified, accelerated, compromised or released by the Bank, as the Bank may reasonably deem advisable, and that any assets or property securing any of the Obligations may, from time to time, in whole or in part (subject, in the case of the Collateral, to the provisions of this Agreement), be exchanged, sold or surrendered by the Bank, and that any Liens securing any of the Obligations may, from time to time, in whole or in part (subject, in the case of the Liens created hereunder, to the provisions of this Agreement), be released or terminated in whole or in part by the Bank, in each case, as the Bank may reasonably deem advisable, all without impairing, abridging, affecting or diminishing this Agreement or the rights of the Bank hereunder or with respect to the Collateral.

4. Representations and Warranties. Each Debtor hereby makes the following representations and warranties, which shall be deemed to be repeated and confirmed upon the

creation or acquisition by such Debtor of each item of Collateral and upon the creation of any Obligation:

(a) Each Debtor is duly organized, validly existing and in good standing under the laws of the jurisdiction specified in the preamble to this Agreement as its jurisdiction of organization, has full power and authority to own its properties and to carry on its business as now being conducted, is duly qualified to do business and is in good standing in each jurisdiction in which the character of its properties, the transaction of its business, the location of its Inventory or Equipment, the performance of its obligations under its Contracts, or the collection of any of its Accounts make such qualification necessary and where the failure to be so qualified would reasonably be expected to have a Material Adverse Effect, and has full power and authority to execute, deliver and perform this Agreement.

(b) Its execution, delivery and performance of this Agreement and the granting of the security interest in the Collateral hereunder (i) have all been duly authorized by all requisite action of such Debtor, (ii) do not require the approval of its stockholders, partners or members, except, in each case, any such approval that has been obtained and is in full force and effect and (iii) will not (1) violate any provision of law (where such violation would reasonably be expected to have a Material Adverse Effect), such Debtor's certificate of formation, by-laws or its organizational documents, as the case may be, (2) violate, be in conflict with, result in a breach of or constitute (with due notice or lapse of time or both) a default under any indenture, agreement or other instrument to which it is a party or by which it or any of its properties is bound, where such violation, conflict or breach would reasonably be expected to have a Material Adverse Effect, (3) violate any governmental or agency rule or regulation or any order of any court, tribunal or governmental agency, where such violation would reasonably be expected to have a Material Adverse Effect, or (4) result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of the Collateral, except for the security interest created by this Agreement. No authorization, approval or consent of, and no filing and registration with, any governmental or regulatory authority or agency is necessary for the execution, delivery or performance by such Debtor of this Agreement or for the validity or enforceability hereof. (it being agreed and understood by all parties that the exercise of the Bank's rights under the Loan Documents may result in a change in ownership resulting in a change of control under the Higher Education Act requiring notice to and approval by the DOE and notice to and approval of other education regulatory authorities). No consent of any party to any Contract or any account debtor in respect of any Account is required in connection with the execution, delivery and performance of this Agreement or the creation of a security interest in such Contract or Account pursuant hereto, except such as have been granted and are in full force and effect, which consent would reasonably be expected to have a Material Adverse Effect.

(c) This Agreement constitutes the legal, valid and binding obligation of such Debtor, enforceable against such Debtor in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium and similar laws affecting enforceability of creditors' rights generally and except as specific performance may be subject to equitable principles of general applicability. This Agreement creates in favor of the Bank a valid first priority lien and first priority security interest in the Collateral, enforceable against each Debtor and superior in right to all other Liens, existing or future, subject to Permitted Liens.

(d) Except for the security interest of the Bank herein, each Debtor is, and as to Collateral created or acquired from time to time after the date hereof such Debtor will be, the owner of all of its respective Collateral, having good and marketable title thereto, free from any liens, security interest or encumbrances or other right, title or interest of any Person, other than Permitted Liens.

(e) Appropriate financing statements with respect to the security interest created hereunder have been or will be duly filed in all appropriate offices; no filing of any other financing statements or other instruments and no recording, filing or indexing of this Agreement is necessary or appropriate in order to preserve and protect the liens and security interests created or intended to be created by this Agreement as legal, valid and enforceable perfected liens on and security interests in the Collateral with respect to the portion of the Collateral that may be perfected by the filing of financing statements (other than filings or appropriate assignments with the United States Patent and Trademark Office or the United States Copyright Office with respect to Intellectual Property of any Debtor, if any, and submission of the certificates of title with respect to the Vehicles, if any, to the relevant motor vehicles department for legending and submission of notice to each contracting officer (as such term is defined in the Federal Acquisition Regulation applicable to the Assignment of Claims Act of 1940, as amended).

(f) To the best of Debtors' knowledge, other than the financing statement of Bank of America, N.A. being released concurrently herewith, there is no financing statement (or similar statement or instrument of registration under the law of any jurisdiction) now on file or registered in any public office covering any interest of any Debtor in the Collateral, or intended so to be, other than financing statements filed with respect to Permitted Liens, and so long as the Credit Agreement is in effect or any of the Obligations remain unpaid, no Debtor will execute, or permit the filing or the continued existence on file of, any financing statement (or similar statement or instrument of registration under the law of any jurisdiction) relating to the Collateral in any public office, except financing statements filed or to be filed with respect to the security interest granted hereunder to the Bank and financing statements filed with respect to Permitted Liens.

(g) On the date hereof, the chief executive office and principal place of business of each Debtor is located at the address set forth for such Debtor in Schedule I. To the extent applicable, the originals of all documents (as well as all duplicates thereof) evidencing or relating to the Accounts, Contracts, Leases, Intellectual Property, Investment Property and other Financial Assets and the original books of account and records of each Debtor relating thereto are kept at the office or offices specified in Schedule I. All Inventory and Equipment are held on the date hereof at the locations specified in Schedule II.

(h) The name of each Debtor set forth in the preamble hereto is correct. Except as set forth in Schedule I, no Debtor is currently doing, and during the five years immediately preceding the date hereof no Debtor has at any time done, business under any trade name or other assumed name. Except as set forth in Schedule I, during the five years immediately preceding the date hereof no Debtor has had any name other than its present name and no Debtor has merged or consolidated with any other entity.

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

(j) None of the account debtors on any Accounts, and none of the parties to any material Contract, is a governmental authority, other than as specified in the Credit Agreement.

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

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

(m) To each Debtor's knowledge, the information, schedules, exhibits and reports furnished by such Debtor to the Bank in connection with the negotiation and preparation of this Agreement did not contain any material omissions or material misstatements of fact which would make the statements contained therein misleading or incomplete in any material respect.

(n) Schedule VII hereto sets forth the name and location of each institution maintaining a Deposit Account of any Debtor and the account number, name and type of each such Deposit Account.

5. Covenants.

(a) At all reasonable times and following reasonable advance notice the Bank shall have full access to, and the right to audit, check, inspect and make abstracts and copies of, each Debtor's books, records, audits, correspondence and all other papers and computer tapes and programs relating to the Collateral. The Bank shall have the right to confirm and verify the Accounts, General Intangibles and other Collateral and to do whatever the Bank may reasonably deem necessary to protect the Bank's interests and each Debtor shall furnish such assistance and information as the Bank may reasonably require in connection therewith. The Bank may

peaceably enter from time to time the premises of each Debtor (i) at any time after the occurrence and during the continuance of an Event of Default, and (ii) at any reasonable time during business hours following reasonable advance notice prior to the occurrence of an Event of Default, for the purpose of inspecting the Collateral and any and all records pertaining thereto. In conducting any such inspection prior to the occurrence of an Event of Default, the Bank shall use all reasonable efforts to minimize any inconvenience to the Debtors.

(b) Each Debtor will keep the Collateral, at its own expense, in customary good repair and condition, and will not misuse, abuse or waste the Collateral or allow the Collateral to deteriorate (or permit any of the foregoing), except for normal wear and tear, and except where the failure to do so would not be reasonably likely to have a Material Adverse Effect, and will make the Collateral available for inspection by the Bank (i) at all times after the occurrence and during the continuance of an Event of Default following reasonable advance notice, and (ii) at all reasonable times upon reasonable notice during business hours prior to the occurrence of an Event of Default.

(c) Each Debtor will comply in all material respects with all acts, rules, regulations, orders, decrees and directions of any governmental authority applicable to the Collateral or any part thereof or to the operation of its business.

(d) Each Debtor will pay promptly when due all taxes, assessments and governmental charges or levies imposed upon the Collateral or in respect of its income or profits therefrom, as well as all claims of any kind (including claims for labor, materials and supplies), except that no such charge need be paid if (i) the validity thereof is being contested by such Debtor in good faith by appropriate proceedings, (ii) such proceedings could not, in the reasonable opinion of the Bank, be reasonably expected to involve any danger of the sale, forfeiture or loss of any of the Collateral or any interest therein and (iii) such charge is adequately reserved against in accordance with generally accepted accounting principles.

(e) The Debtors will not create, permit or suffer to exist and will defend the Collateral against, and take such other action as is reasonably necessary to remove, any lien, security interest or encumbrance on the Collateral, other than Permitted Liens, and each Debtor will defend the right, title and interest of the Bank in and to any of such Debtor's rights to the Collateral against the claims and demands of all Persons whomsoever claiming an interest therein adverse to the Bank, other than Permitted Liens.

(f) The Debtors will advise the Bank promptly after learning of it and in reasonable detail of (i) any lien, security interest or encumbrance placed on or asserted against any of the Collateral other than Permitted Liens and (ii) any material change in the composition of the Collateral and (iii) the occurrence of any other event which would reasonably be expected to have a Material Adverse Effect on the aggregate value of the Collateral or on the security interest created by any Debtor hereunder.

(g) No Debtor will (x) change the location specified in Schedule I of its chief executive office, principal place of business or the office where records concerning its Accounts, Contracts, Leases, Intellectual Property, Investment Property or other Financial Assets are kept, (y) keep inventory or Equipment (other than inventory in transit) at any location other than the

locations specified in Schedule II, or (z) change its name, identity, corporate structure or jurisdiction of organization until, in each case, (i) such Debtor has given to the Bank not less than 15 days' prior written notice of its intention so to do, clearly describing such new location, name, identity or corporate structure and providing such other information in connection therewith as the Bank may reasonably request, and (ii) such Debtor shall have taken such other actions reasonably satisfactory to the Bank (including, without limitation, the delivery of additional financing statements duly signed by such Debtor or authorizations to file such additional financing statements, if required or appropriate under applicable law), as are necessary to maintain the security interest of the Bank in the Collateral at all times senior and perfected and in full force and effect, subject only to Permitted Liens.

(h) Each Debtor will maintain its Vehicles in good operating condition, ordinary wear and tear excepted, and will provide all reasonable maintenance, service and repairs necessary for such purpose. Such Debtor will pay all registration and other fees in respect of its Vehicles when due and will take all action necessary to ensure that the registration, inspection and licensing requirements of such Vehicles are and continue to be in full force and effect. Within 10 days of any request therefor by the Bank, the Debtor will file all applications for certificates of title or ownership indicating the Bank's first priority security interest on the Vehicle covered by such certificate, and any other necessary documentation, in each office in each jurisdiction which the Bank shall deem advisable to perfect its security interests in the Vehicles.

(i) Each Debtor will furnish to the Bank within ten (10) days after any request therefor by the Bank, statements (prepared by such Debtor in form, substance and detail reasonably satisfactory to the Bank) of all Accounts of such Debtor (showing reconciliations, aging and test verifications thereof and trial balances therefor), itemized by the account debtor, and of the location (and aggregate book value at each such location) of all Inventory of such Debtor, each such statement to be certified by its chief financial officer or another senior officer, manager or partner with knowledge of such Debtor's operations and financial condition), and, promptly from time to time, such other information as the Bank may reasonably request regarding the Collateral and its operations, business, affairs and financial condition: provided however that to the extent no Event of Default has occurred and is continuing, Bank shall request such certified statements or other information no more than four (4) times in a calendar year.

(j) No Debtor will sell, transfer, lease or otherwise dispose of any of the Collateral, or enter into any contract to do so, except as permitted by the Credit Agreement.

(k) Each Debtor will, at its own expense, make, execute, endorse, acknowledge, file and/or deliver to the Bank from time to time such lists, descriptions, schedules, invoices, warehouse receipts, bills of confirmatory assignments, conveyances, financing statements, transfer endorsements, powers of attorney, certificates, reports, duly executed blank stock powers and other instruments of transfer or assignment and other assurance or instruments and take such further steps relating to the Collateral and other property or rights covered by the security interest hereby granted by it, as the Bank in its reasonable judgment deems appropriate or advisable to perfect, preserve or protect its security interest in the Collateral.

(l) Debtors shall provide a written update of the Schedules attached hereto to the Bank at the following times and pursuant to the following conditions: (i) with respect to Schedules I and II, in accordance with subsection (g) above; (ii) with respect to Schedules III through VII, within 10 Business Days of: (A) for Schedules III and IV, the relevant change, (B) for Schedule V and VI, the obtaining or creation of any new Instrument or Commercial Tort Claim that exceeds \$50,000 individually, and (C) for Schedule VII, the opening or closing of any Deposit Account.

6. Special Provisions Concerning Accounts.

(a) As of the time when any Account arises, each Debtor shall be deemed to have warranted as to such Account that such Account and all papers and documents relating thereto are genuine and in all respects what they purport to be, and that each such Account (i) will represent the genuine, legal, valid and binding obligation of the account debtor thereon for the unpaid amount owed by such account debtor for the sale and delivery by such Debtor of the goods, or the performance by such Debtor of the services, listed therein, (ii) will be the only original writings evidencing and embodying such obligation of the account debtor named therein, (iii) will evidence true obligations, enforceable in accordance with their respective terms and not subject to any stamp or other taxes, except as shall be disclosed to the Bank, and (iv) will be, to the best knowledge of such Debtor, in material compliance and will conform in all material respects with all applicable federal, state and local laws and applicable laws of any relevant foreign jurisdiction. Each Debtor shall take all reasonable steps necessary to preserve the liability of each account debtor, guarantor, endorser, obligor or secondary party on or with respect to the Accounts. Each Debtor will notify the Bank in writing of any defenses, set-offs or counterclaims affecting a material portion of such Debtor's Accounts, promptly after obtaining knowledge thereof.

(b) Each Debtor will keep and maintain, at its own expense, accurate and complete records of the Accounts, including, but not limited to, records of all payments received, all credits granted thereon, all merchandise returned and all other dealings therewith, and such Debtor will make the same available to the Bank, at the Debtor's expense, at any and all reasonable times following reasonable prior notice by the Bank. At the request of the Bank, each Debtor shall legend, in form and manner reasonably satisfactory to the Bank, its Accounts and its books, records and documents evidencing or pertaining to its Accounts with an appropriate reference to the fact that such Accounts have been assigned to the Bank and that the Bank has a security interest therein.

(c) The Debtors will not rescind or cancel any indebtedness under any of the Accounts or modify any material term thereof or make any adjustment with respect thereto, or extend or renew the same (except upon terms equally or more favorable to said Debtor than the existing contract and upon written notice to the Bank as provided for in the Credit Agreement, or compromise or settle any dispute, claim, suit or legal proceeding relating thereto, or sell any of such Accounts or interest therein, without the prior written consent of the Bank, except as permitted by Section 6(e).

(d) Each Debtor will duly fulfill all obligations on its part to be fulfilled under or in connection with the Accounts and will do nothing to impair the rights of the Bank in the Accounts.

(e) Each Debtor will endeavor to collect or cause to be collected from the account debtor on each of its Accounts (including, without limitation, Accounts which are delinquent, such Accounts to be collected in accordance with generally accepted lawful collection procedures), as and when due, any and all amounts owing under or on account of such Accounts, except that prior to the occurrence of an Event of Default such Debtor may allow in the ordinary course of business as adjustments to amounts owing under its Accounts (i) an extension or renewal of the time or times of payment, or settlement for less than the total unpaid balance, which such Debtor finds necessary in accordance with sound business and credit judgment and (ii) a refund or credit due as a result of returned or damaged Inventory or improper or faulty performance of services. The costs and expenses (including attorney's fees) of collection, whether incurred by such Debtor or the Bank, shall be borne by such Debtor.

(f) The Debtors shall, promptly upon learning thereof, report to the Bank all delays in performance, notices of default, claims made or disputes asserted by any account debtor or other obligor on any Account and any other matters materially affecting the value, enforceability or collectibility of any Account, which could reasonably be expected to have a Material Adverse Effect.

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

(h) Upon the occurrence and during the continuance of an Event of Default, the Bank shall have the right, without further notice to or assent by any Debtor, and without affecting the Obligations, in the name of such Debtor or in the name of the Bank or otherwise, to take any or all of the following actions: (i) to notify any or all account debtors under any or all of the Accounts to make payment thereof directly to the Bank for the account of such Debtor or the Bank and to require such Debtor to forthwith give similar notice to the account debtors; (ii) to demand, collect, sue for, receive, compound and give acquittance for any of the Accounts or any part thereof; (iii) to extend the time of payment of, compromise or settle for cash, credit or otherwise, and upon any terms and conditions, any of the Accounts; (iv) to endorse the name of such Debtor on any checks, drafts or other orders or instruments for the payment of moneys payable to such Debtor which shall be issued in respect of any Account; (v) to file any claims and commence, maintain or discontinue any actions, suits or other proceedings deemed by the Bank to be necessary or advisable for the purpose of collecting or enforcing payment of any Account; (vi) to execute any instrument and do any and all other things necessary and proper to protect and preserve and realize upon the Accounts and the other rights contemplated hereby; (vii) to require such Debtor to forthwith account for and transmit to the Bank in the same form as received, all proceeds (other than physical property) of collection of Accounts received by such Debtor and, until so transmitted, to hold the same in trust for the Bank and not commingle such proceeds with any other funds of such Debtor; (viii) to require such Debtor to deliver, at such

Debtor's expense, any or all papers, documents, correspondence, records and computer programs and tapes and other electronic data processing software evidencing or relating to the Accounts to the Bank at a place designated by the Bank; (ix) to notify the postal authorities to change the address for delivery of mail addressed to such Debtor to such address as the Bank may designate; and (x) to do all other acts and things reasonably necessary to carry out this Agreement. The Bank shall not be obligated to do any of the acts hereinabove authorized, but in the event that the Bank elects to do any such act, the Bank shall not be responsible to any Debtor except for its gross negligence or willful misconduct.

(i) If any Account becomes evidenced by a promissory note or similar instrument in the sum of more than \$35,000, such Debtor will promptly notify the Bank thereof, and upon request by the Bank will promptly deliver such instrument to the Bank appropriately endorsed to the order of the Bank as further security for the payment in full of the Obligations.

7. Special Provisions Concerning Inventory and Equipment.

(a) Each Debtor will at all times keep all of the Inventory and Equipment insured at its expense, to the Bank's reasonable satisfaction, to the extent and in the manner required by the Loan Documents, against fire, theft, and all other risks to which the Inventory and Equipment may be subject; all policies or certificates with respect to such insurance shall be endorsed to the Bank's reasonable satisfaction for the benefit of the Bank, including, without limitation, by naming the Bank as loss payee or additional insured, and evidence of such insurance reasonably satisfactory to the Bank shall be deposited with the Bank as provided in the Loan Documents. If any Debtor shall fail to insure the Inventory and Equipment as provided herein, or if any Debtor shall fail so to endorse and deposit all policies or certificates with respect thereto in accordance herewith, the Bank shall have the right (but shall be under no obligation) to procure such insurance and each Debtor agrees to reimburse the Bank for all costs and expenses of procuring such insurance that such Debtor failed to procure. Provided there is no Event of Default continuing at the time insurance proceeds are received, the Debtor may apply same to replace the Inventory and Equipment so damaged. If, however, an Event of Default is then continuing, the Bank may apply any proceeds of such insurance with respect to the Inventory and Equipment, when received by it toward the payment of any of the Obligations, whether or not the same shall then be due. Each Debtor shall give immediate written notice to the insurers and to the Bank of any loss or damage to the Collateral or any part thereof and shall promptly file all necessary or appropriate proofs of loss with the insurers. Each Debtor hereby appoints the Bank the attorney-in-fact for such Debtor, while any Event of Default is continuing, in obtaining, adjusting and canceling any such insurance and endorsing settlement drafts.

(b) The Bank shall have the right, upon the occurrence and during the continuance of an Event of Default, without notice to (unless specifically provided for herein), or assent by, any Debtor but without affecting the Obligations, in the name of such Debtor or in the name of the Bank or otherwise, to take any or all of the following actions: (i) upon notice to such effect, to require such Debtor to deliver, at such Debtor's expense, any or all of the Inventory and Equipment to the Bank at a place designated by the Bank (and after delivery thereof such Debtor shall have no further claim to or interest in such Inventory and Equipment); (ii) to take possession of any or all of the Inventory and Equipment and, for that purpose, to peaceably enter, with the aid and assistance of any Person, any premises where such Inventory and Equipment, or

any part thereof, is, or may be, placed or assembled, to remove any such Inventory or Equipment, and to dispose of or store such Inventory or Equipment in such premises at the expense of the Debtors; and (iii) to execute or endorse any instrument (including, without limitation, any invoice, bill of lading, and storage or warehouse receipt) and do all the things necessary and proper to protect and preserve and realize upon the Inventory and Equipment and the other rights contemplated hereby. The Bank shall not be obligated to do any of the acts hereinabove authorized, but in the event that the Bank elects to do any such act, the Bank shall not be responsible to any Debtor except for the Bank's own gross negligence or willful misconduct.

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

8. Special Provisions Concerning Intellectual Property. (a) Except to the extent that the Bank, upon prior written notice from the relevant Debtor, shall consent in writing, each Debtor (either itself or through licensees) will, consistent with sound business judgment, continue to use its Trademarks, if any, on each and every trademark class of goods applicable to its current line as reflected in its current catalogs, brochures and price lists in order to maintain its Trademarks in full force free from any claim of abandonment for nonuse and no Debtor will (nor permit any licensee thereof to) do any act or knowingly omit to do any act whereby any Trademark may become invalidated, except for Trademarks the loss of which could not reasonably be expected to result in a Material Adverse Effect.

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

(c) The Debtors assume all responsibility and liability arising from the use of the Trademarks, Copyrights or Patents, and hereby agree to indemnify and hold the Bank harmless from and against any claim, suit, loss, damage or expense (including reasonable attorneys' fees) arising out of any alleged defect in any product manufactured, promoted or sold by any of the Debtors in connection with, or which bears or includes, any Trademark, Copyright or Patent or out of the manufacture, promotion, labeling, sale or advertisement of any such product by any of the Debtors. Each Debtor agrees that the Bank does not assume, and shall have no responsibility for, the payment of any sums due or to become due under any agreement or contract included in the Collateral or the performance of any obligations to be performed under or with respect to any such agreement or contract by such Debtor, and each Debtor hereby agrees to indemnify and hold the Bank harmless with respect to any and all claims by any person relating thereto, other than claims caused by the Bank's gross negligence or willful misconduct.

(d) Each Debtor agrees that if it, or any affiliate or subsidiary thereof, learns of any use by any person of any term or design likely to cause confusion with any Trademark (other than a Trademark the loss of which could not reasonably be expected to result in a Material Adverse Effect) it shall promptly notify the Bank of such use and, if requested by the Bank, shall join with the Bank, at such Debtor's expense, in such action as the Bank, in its reasonable discretion, may deem advisable for the protection of the Bank's interests in and to the Trademarks.

(e) All licenses of its Trademarks, Copyrights or Patents which the Debtors have granted to third parties as of the date hereof are set forth in Schedule IV hereto.

(f) The Trademarks, Copyrights and Patents are subsisting, have not been adjudged invalid or unenforceable in whole or in part, and are not currently being challenged in any way, except for Trademarks, Copyrights and Patents the loss of which could not reasonably be expected to result in a Material Adverse Effect.

(g) None of the Trademarks, Copyrights or Patents have lapsed or expired or have been abandoned or canceled, whether due to any failure to pay any maintenance or other fees or make any filing or otherwise except, for Trademarks, Copyrights and Patents the loss of which could not reasonably be expected to result in a Material Adverse Effect.

(h) Each of the Trademarks, Copyrights and Patents is valid and enforceable and the Debtors are not aware of any impairments to the Trademarks, Copyrights or Patents which would have a material effect on the validity and/or enforceability thereof, except for Trademarks, Copyrights and Patents the loss of which could not reasonably be expected to result in a Material Adverse Effect.

(i) To the Debtor's knowledge, no claim in writing has been made that the use of any of the Trademarks, Copyrights or Patents constitutes an infringement, except for Trademarks, Copyrights and Patents the loss of which could not reasonably be expected to result in a Material Adverse Effect.

(j) Each Debtor will continue to use, consistent with past practice, proper statutory notice in connection with its use of the Trademarks, except for Trademarks the loss of which could not reasonably be expected to result in a Material Adverse Effect.

(k) Each Debtor will use standards of quality in its manufacture of products sold under the Trademarks consistent with those currently employed by it, except for Trademarks the loss of which could not reasonably be expected to result in a Material Adverse Effect.

(l) No Debtor shall adopt or use any mark which is confusingly similar or a colorable imitation of any Trademark unless it shall have granted to the Bank a perfected security interest in such mark pursuant to this Agreement.

(m) No Debtor will do or omit to do any act, or cause or permit any licensee to do or omit to do any act, whereby any Copyright may become injected into the public domain, other than Copyrights the loss of which could not reasonably be expected to result in a Material Adverse Effect. Each Debtor shall notify the Bank immediately if it knows, or has reason to know, that any Copyright may become injected into the public domain or of any adverse determination or development (including, without limitation, the institution of, or any such determination or development in, any court or tribunal in the United States or any other country) regarding such Debtor's ownership of any such Copyright or its validity.

(n) Each Debtor shall take, consistent with sound business judgment, such actions as it may deem necessary to protect its Trademarks, Copyrights or Patents including, where such Debtor deems it appropriate, the bringing of suit for infringement, seeking injunctive relief and seeking to recover any and all damages for such infringement, except for Trademarks, Copyrights and Patents the loss of which could not reasonably be expected to result in a Material Adverse Effect.

9. Additional Provisions Concerning Pledged Shares.

(a) The Bank shall have the right to appoint one or more agents for the purpose of retaining physical possession of the certificates representing or evidencing the Pledged Collateral, which may be held (in the discretion of the Bank) in the name of the relevant Debtor, endorsed or assigned in blank or in favor of the Bank, or any nominee or nominees of the Bank or any agent appointed by the Bank. In addition to all other rights possessed by the Bank, the Bank may, from time to time after the occurrence and during the continuance of an Event of Default, at the Bank's sole discretion, upon twenty (20) Business Days' notice to the applicable Debtor that it intends to exercise its rights under this Section 9(a), without further notice to or assent by any Debtor, and without affecting the Obligations, in the name of such Debtor or in the name of the Bank or otherwise, take any or all of the following actions: (i) transfer all or any part of the Pledged Collateral into the name of Bank or its nominee; (ii) take control of any proceeds of any of the Pledged Collateral; and (iii) exchange certificates or instruments representing or evidencing Pledged Collateral for certificates or instruments of smaller or larger denominations for any purpose consistent with its rights under this Agreement; provided that all powers of the Bank under this Section shall be subject to the rights of the Debtors under Section 11 hereof to the extent that the exercise of such powers represents a sale of an item of Pledged Collateral.

(b) Voting Rights; Dividends, Etc.

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

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

(iii) Upon the occurrence and during the continuance of an Event of Default, at the option of the Bank, (x) all rights of each Debtor to exercise the voting rights and powers which such Debtor is entitled to exercise pursuant to Section 9(b)(i) shall cease, and all such rights shall thereupon become vested in the Bank, and the Bank shall have the sole and exclusive right and authority to exercise such voting and/or consensual rights and powers (provided, however, that notwithstanding any other provision in this Agreement to the contrary, the Bank shall not be authorized to exercise said voting rights to sell the Pledged Collateral or the business of the Guarantor as a going concern (whether as a stock deal or an asset deal) until the 20 day notice period referenced in Section 9(a) has expired) and (y) the Bank shall be entitled to receive and retain any and all cash dividends, if any, paid on the Pledged Collateral. Any and all cash and other property paid over to or received by the Bank pursuant to the provisions of this subsection shall be retained by the Bank as part of the Pledged Collateral, and shall be applied in accordance with the provisions hereof.

(iv) Concurrently with its execution of this Agreement, each Debtor shall execute and deliver to the Bank an irrevocable proxy to vote the Pledged Shares upon and during the continuance of an Event of Default, substantially in the form of Exhibit A. After the occurrence and during the continuance of an Event of Default, each Debtor shall deliver to the Bank such further evidence of such irrevocable proxy or such further irrevocable proxies to vote any shares of capital stock or partnership, membership or other equity interests constituting part of the Pledged Collateral as the Bank may reasonably request.

(c) Each Debtor hereby consents to the pledge by the other Debtors of their Pledged Shares hereunder, and to the exercise by the Bank of any of its rights and remedies hereunder, to the extent such consent is necessary under any contractual restriction, or any restriction under the certificate of incorporation or by-laws of any corporate Issuer, upon the pledge, assignment or transfer of such Pledged Shares, or any other right, warrant or option such Debtor may have with respect to such Pledged Shares.

10. Financing Statements; Documentary Stamp Taxes; Further Assurances.

(a) Each Debtor hereby authorizes and agrees to execute and deliver to the Bank such instruments and documents (including without limitation initial financing statements, amendments, and written authorizations to file them), in form acceptable to the Bank, as the Bank may from time to time reasonably request or as are necessary in the reasonable opinion of the Bank to establish and maintain a valid, enforceable and perfected security interest in the Collateral and the other rights and security contemplated hereby which is superior and prior to the rights of all third Persons subject to Permitted Liens. Each Debtor will pay any applicable filing fees and taxes and related expenses. Each Debtor hereby expressly authorizes the Bank to file any financing statements that the Bank may deem necessary or appropriate to establish and maintain a perfected security interest in the Collateral without the signature of such Debtor.

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

(c) If any portion of the Collateral consists of securities entitlements or of property in respect of which a security interest therein may only be perfected by control, each Debtor will take such steps as the Bank may reasonably require in order for the Bank to obtain control thereof.

(d) If any portion of the Collateral consists of instruments or chattel paper, each Debtor will take such steps as the Bank may reasonably require in order for the Bank to obtain possession thereof (or control, in the case of electronic chattel paper).

(e) If any Inventory is in the possession or control of any third Person, each Debtor, as necessary, will join with the Bank in notifying the third Person of the Bank's security interest and obtaining an acknowledgment that such Person holds the Inventory subject to the security interest created herein.

11. Additional Provisions Concerning Remedies and Sale of Collateral.

(a) In addition to any rights and remedies contained herein or now or hereafter granted under applicable law and not by way of limitation of any such rights and remedies, upon the occurrence and during the continuance of an Event of Default, the Bank shall have all of the rights and remedies of a secured party under the Uniform Commercial Code as enacted in any applicable jurisdiction in addition to the rights and remedies provided herein. The Bank may take legal proceedings for the appointment of a receiver or receivers (to which the Bank shall be entitled as a matter of right) to take possession of the Collateral pending the sale thereof pursuant

either to the powers of sale granted by this Agreement or to a judgment, order or decree made in any judicial proceeding for the foreclosure or involving the enforcement of this Agreement.

(b) Upon the occurrence and during the continuance of any Event of Default and subject to any notice periods set forth herein, the Bank shall have the right to seize and take possession of any Collateral (or any paper, documents, correspondence, computer tapes and programs and other electronic data processing software relating to the Collateral), and may peaceably enter the premises where such Collateral (or such paper, documents, correspondence, tapes, programs or software) is located for the purpose of effecting such seizure. The Bank shall not be liable to any of the Debtors for any damage suffered by any Debtor by reason thereof and each Debtor shall indemnify the Bank jointly and severally for any liability which may accrue to any Person by reason of such entry or seizure, other than liability arising by reason of the gross negligence or willful misconduct of such Person. At any time or from time to time after the occurrence and during the continuance of an Event of Default the Bank may hire and maintain on any of the premises of any Debtor a custodian or independent contractor selected by the Bank who shall have full authority to do all lawful acts necessary to protect the Bank's interests and to report to the Bank thereon. Each Debtor hereby agrees to cooperate with any such Person and to do whatever the Bank may reasonably request to preserve the Collateral. All expenses incurred by the Bank by reason of the employment of any such Person shall be payable by such Debtor and shall be secured hereby and shall be a part of the Obligations.

(c) Upon the occurrence and during the continuance of an Event of Default and subject to any notice periods set forth herein, the Bank may, without obligation to resort to other security, at any time and from time to time, sell, re-sell, assign and deliver all or any of the Collateral, in one or more parcels at the same or different times, and all right, title and interest, claim and demand therein and right of redemption thereof, at public or private sale or at any broker's board or on any securities exchange, for cash, upon credit or for future delivery, and at such price or prices and on such terms as the Bank may determine, with the amounts realized from any such sale to be applied in the manner provided in Section 13. Each Debtor hereby agrees that all of the foregoing may be effected without demand, advertisement or notice (except as required by law or as expressly provided herein), all of which (to the extent permitted by law) are hereby expressly waived. Upon any sale of any of the Collateral, whether made under the power of sale hereby given or under judgment, order or decree in any judicial proceeding for the foreclosure involving the enforcement of this Agreement, (i) the Bank may bid for the property being sold, and upon compliance with the terms of sale may hold, retain and possess and dispose of such property in its own absolute right without further accountability, and may, in paying the purchase money therefore, discharge a portion of the Obligations owing to the Bank in an amount equal to such purchase price; (ii) the Bank may make and deliver to the purchaser or purchasers a good and sufficient deed, bill of sale and instrument of assignment and transfer of the property sold; (iii) the Bank may make all necessary deeds, bills of sale and instruments of assignment and transfer of the property thus sold; but if so requested by the Bank or such purchaser, each Debtor shall ratify and confirm any such sale or transfer by executing and delivering to the Bank or such purchaser all property, deeds, bills of sale, instruments of assignment and transfer and releases as may be designated in any such request; (iv) all right, title, interest, claim and demand whatsoever, either in law or in equity or otherwise, of such Debtor of, in and to the property so sold shall be divested and such sale shall be a perpetual bar both at law and in equity against such Debtor, its successors and assigns, and against any and all Persons

claiming or who may claim the property sold or any part thereof from, through or under such Debtor, its successors or assigns; and (v) the receipt of the Bank or of the officer thereof making such sale shall be a sufficient discharge to the purchaser or purchasers at such sale for his or their purchase money, and such purchaser or purchasers, and his, its or their assigns or personal representatives, shall not, after paying such purchase money and receiving such receipt of the Bank or of such officers thereof, be obligated to see to the application of such purchase money or be in any way answerable or responsible for any loss, misapplication or non-application thereof.

(d) To the extent that it may lawfully do so, each Debtor agrees that it will not at any time insist upon, or plead, or in any manner whatsoever claim or take the benefit or advantage of, any appraisal, valuation, stay, extension or redemption laws, or any law permitting it to direct the order in which the Collateral or any part thereof shall be sold, now or at any time hereafter in force, which may delay, prevent or otherwise affect the performance or enforcement of this Agreement or the Obligations, and each Debtor hereby expressly waives all benefit or advantage of any such laws and covenants that it will not hinder, delay or impede the execution of any power granted or delegated to the Bank in this Agreement, but will suffer and permit the execution of every such power as though no such laws were in force. In the event of any sale of Collateral pursuant to this Agreement by the Bank, the Bank shall, give the Debtors written notice (which notice may be given by telecopier) of its intention to sell, except that, if the Bank shall determine in its sole discretion that any of the Collateral is perishable or threatens to decline speedily in value, any such sale may be made upon one day's written notice (which notice may be given by telecopier) to the Debtors.

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

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

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

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

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

12. Bank Appointed Attorney-in-Fact.

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

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

13. Application of Moneys; Reassignment of Collateral.

(a) Except as otherwise provided herein, all moneys which the Bank shall receive pursuant to this Agreement or with respect to the Collateral shall be applied in the following manner: First, to the payment in full of all costs and expenses incurred by the Bank in connection with the administration and enforcement of, or the preservation of any rights under, this Agreement and the realization on such Collateral (including, without limitation, the fees and disbursement of the Bank's counsel and agents); and Second, to the payment in full of all other Obligations in such order and manner as the Bank shall determine.

(b) The balance, if any, of such moneys shall be paid over to the Debtors as soon as reasonably practicable or as otherwise required by law or as directed by a court of competent jurisdiction. Upon the payment in full of the Obligations and the termination of the Revolving Credit Commitment under the Credit Agreement, all Collateral not sold or otherwise disposed of pursuant hereto shall, at the request of the Debtors and at the sole cost and expense of the Debtors, be reassigned by the Bank to the Debtors (or as otherwise directed by a court of competent jurisdiction), without recourse and without any representations, warranties or agreements of any kind, other than that such Collateral is free and clear of any Liens placed thereon by the Bank. Each Debtor shall remain jointly and severally liable to the Bank for any deficiency remaining on the Obligations after the aforesaid application of such monies to the Obligations.

14. Compliance with Securities Laws.

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

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

has occurred, that such Event of Default has been cured or waived, that all of the Obligations have been paid in full or that the Bank has released the Pledged Shares.

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

16. Waivers, Amendments, Required Notices. Each Debtor hereby waives notice of acceptance of this Agreement, notice of nonpayment of any Obligations or of any Accounts or of any instrument relating thereto, demand, presentment, protest and notice thereof with respect to any and all instruments, notice of Collateral received or delivered, or any other action taken in reliance hereon and all other demands and notices of any description, except such as are expressly provided for herein or which by applicable law may not be waived on the date hereof. No course of dealing between the Bank and any Debtor or any other Person, and no failure on the part of the Bank to exercise, and no delay in exercising, any right, power or remedy hereunder, shall operate as a waiver thereof or as a waiver of any Event of Default, nor shall any single or partial exercise by the Bank of any right, power or remedy hereunder or with respect to the Obligations preclude any other or further exercise thereof or the exercise of any other right, power or remedy. No amendment or modification of this Agreement nor any waiver of any provision of this Agreement or consent to any departure by any Debtor therefrom shall in any event be effective unless the same shall be in writing and signed by the Bank, and then any such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice to or demand on any Debtor in any case shall, of itself, entitle such Debtor or any other Debtor to any other or further notice or demand in similar or other circumstances. If notice, whether before or after any Event of Default has occurred, is required by law to be given by the Bank to any Debtor, such Debtor agrees that, unless otherwise specifically provided herein, fifteen (15) days' notice given in the manner provided below shall be reasonable notice.

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

18. Notices. All notices, requests, demands, instructions, directions and other communications provided for hereunder shall be in writing (which term shall include telecopied communications) and shall be mailed (postage prepaid), telecopied or delivered (by a reputable delivery service) to the applicable party at the address or telecopier number specified for such party in the Credit Agreement or, as to any party, to such other address or telecopier number as such party shall specify by a notice in writing to the other parties hereto delivered in accordance

with the provisions of this Section. Each notice, request, demand, instruction, direction or other communication provided for hereunder shall be deemed delivered (a) if by mail, three Business Days after being deposited in the mails, addressed to the applicable party at its address set forth above, (b) if by hand, when delivered to the applicable party at such address, and (c) if by telecopy, when confirmation of transmission thereof to such telecopier number is received by the transmitter; provided that (i) any notice, request or demand to or upon the Bank shall not be effective until received, and (ii) if the date of delivery by hand pursuant to clause (b) above or the date of transmission by telecopier pursuant to clause (c) above is not a Business Day, then delivery shall be deemed to have occurred on the next succeeding Business Day.

19. Costs and Expenses.

(a) The Debtors agree jointly and severally to pay, within three (3) Business Days from the date of a request by Bank to do so, whether or not any Event of Default shall have occurred and regardless of whether or not any proceeding to enforce this Agreement or the Obligations shall have been commenced, all of the reasonable costs and expenses (including, without limitation, all reasonable fees and disbursements of legal counsel) incurred by the Bank in connection with (i) the preparation of this Agreement and any related financing statements and other instruments and documents, (ii) the enforcement of this Agreement and the security interests granted hereunder, (iii) any filings or recordings with respect to the security interests granted hereunder (including all filing and recording fees, stamp taxes, recording taxes and intangible property taxes), (iv) the receipt of the Accounts or General Intangibles hereunder, (v) the care and preservation of the Collateral, (vi) the sale or other disposition of, or other realization upon, the Collateral, or (vii) the preparation of any requested amendments to this Agreement or waivers or consents in connection herewith. Any such costs and expenses so incurred by the Bank shall be secured hereby and be a part of the Obligations.

(b) If any lien or tax shall be claimed with respect to the Collateral which, in the opinion of the Bank, could reasonably be expected to create a valid obligation having priority over the security interest granted to it herein, the Bank may in its sole discretion and without notice to any Debtor pay such taxes and/or the amount secured by such lien and the amount of such payment shall be charged to such Debtor's account and added to the Obligations secured hereby: provided, however, that the Bank shall not make such payment with respect to any lien or tax being properly contested in good faith by such Debtor by appropriate proceedings if (x) (i) such proceedings shall suspend the enforcement of such lien or collection of such tax, (ii) no part of such Debtor's rights in and under the Collateral shall be subject to sale, forfeiture or diminution, and (iii) such Debtor shall have furnished such security that is not part of the Collateral as may be required in such proceedings or reasonably requested by the Bank or (y) such lien constitutes a Permitted Lien.

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

20. Successors and Assigns. This Agreement shall be binding upon each Debtor and its respective successors and assigns and shall inure to the benefit of the Bank and its successors, transferees and assigns. No Debtor may assign its rights or obligations hereunder or any portion thereof without the prior written consent of the Bank. Subject to the provisions of the Credit Agreement, the Bank may assign its rights and powers under this Agreement with all or any of the Obligations and, in the event of any such assignment, the assignee of such rights and powers, to the extent of such assignment, shall have the same rights and remedies hereunder, and shall be secured hereby to the same extent, as if it had been the Bank on the date hereof.

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

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

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

(b) Neither the Bank nor any of its directors, officers, employees or agents shall be liable to any Person for any action taken or omitted by the Bank or its officers, directors, employees or agents hereunder or with respect to any transaction contemplated by this Agreement, except for the Bank's or such officers', directors', employees' or agents' gross negligence or willful misconduct. Without limiting the generality of the foregoing, neither the Bank nor any of its directors, officers, employees or agents shall be responsible or liable for any shortage, discrepancy, damage, loss or destruction of any part of the Collateral wherever the same may be located and regardless of the cause thereof unless due to the Bank's or such officers', directors', employees' or agents' gross negligence or willful misconduct. Neither the Bank nor any of its directors, officers, employees or agents shall, under any circumstances or in any event whatsoever, have any liability for any error or omission or delay of any kind occurring in the settlement, collection or payment of any of the Accounts, any General Intangible or any instrument received in payment thereof or for any damage resulting therefrom.

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

23. Indemnification. Each Debtor agrees jointly and severally to pay, and to save the Bank harmless from, any and all liabilities, costs, expenses, losses or damages (including, without limitation, reasonable legal fees and expenses) which may be imposed on, incurred by or asserted against the Bank (i) with respect to, or resulting from, any delay in paying any and all excise, sales or other taxes which may be payable or determined to be payable with respect to any of the Collateral, (ii) with respect to, or resulting from, any delay in complying with any requirement of law applicable to any of the Collateral or (iii) in connection with any of the transactions contemplated by this Agreement or the enforcement of any of the terms hereof. In any suit, proceeding or action brought by the Bank under or with respect to any Account, General Intangible, License or Contract for any sum owing thereunder, or to enforce any provisions of any Account, General Intangible, License or Contract, the Debtors will jointly and severally save, indemnify and keep the Bank harmless from and against any liabilities, costs, expense, loss or damage suffered by reason of any defense, setoff, counterclaim, recoupment or reduction or liability whatsoever of the account debtor or obligor thereunder, arising out of a breach by any Debtor of any obligation thereunder or arising out of any other agreement, indebtedness or liability at any time owing to or in favor of such account debtor or obligor or its successors from any Debtor. Notwithstanding the foregoing, no Debtor shall be liable for any of the foregoing to the extent that they arise from the gross negligence or willful misconduct of the Bank.

24. Survival; Termination.

(a) All covenants, agreements, representations and warranties made herein by any Debtor shall survive the execution and delivery of this Agreement and shall continue in full force and effect until the termination of the Revolving Credit Commitment under the Credit Agreement and the payment in full of all of the Obligations.

(b) This Agreement shall terminate when the Bank's obligation to extend credit to the Borrower under the Credit Agreement has terminated and all of the Obligations have been paid in full (other than inchoate indemnification obligations); provided, however, that this Agreement shall be reinstated if any payment in respect of the Obligations is rescinded, invalidated, declared to be fraudulent or preferential or otherwise required to be restored or returned by the Bank for any reason, including without limitation by reason of the insolvency, bankruptcy or reorganization of any Debtor or any other Person.

(c) The Bank will discharge all Liens in the Collateral as soon as reasonably practicable after payment in full of the Obligations. The Bank will also promptly discharge Liens in any Collateral that is transferred or disposed of in accordance with the Credit Agreement.

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

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

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

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

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

28. Execution in Counterparts; Facsimile Signatures. This Agreement may be executed in any number of counterparts and by different parties on separate counterparts, all of which when taken together shall constitute but one and the same agreement. Delivery of an executed signature page to this Agreement by facsimile transmission shall be as effective as delivery of a manually signed counterpart of this Agreement.

29. Additional Debtors. Any subsidiary of any Debtor (other than a Foreign Subsidiary) that was not in existence on, or became a subsidiary of a Debtor after, the date hereof may be required by the Bank to enter into this Agreement as a Debtor upon becoming such a subsidiary. Upon execution and delivery after the date hereof by the Bank and such subsidiary of

a Supplement in the form of Annex I, such subsidiary shall become a Debtor hereunder with the same force and effect as if originally named as a Debtor herein. The execution and delivery of any instrument adding an additional Debtor as a party to this Agreement shall not require the consent of any other Debtor hereunder. The rights and obligations of each Debtor hereunder shall remain in full force and effect notwithstanding the addition of any new Debtor as a party to this Agreement.

30. Agreements and Licenses.

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

(b) To the extent permitted by applicable law, each Debtor will hold in trust for the Bank, and provide the Bank with the benefits of, each Proscribed Contract and, during the continuance of an Event of Default, will enforce all Related Rights at the written direction of the Bank, or at the direction of such other Person (including any purchaser of Collateral from the Bank or any receiver) as the Bank may designate.

[Remainder of page intentionally left blank; signature page follows]

[Signature page to Security and Pledge Agreement]

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

**DORSEY SCHOOL OF BUSINESS
HOLDINGS, INC.**

By: *Patricia K. Fischer*
Name: *Patricia K. Fischer*
Title: *President*

**DORSEY SCHOOL OF BUSINESS,
INC.**

By: *Patricia K. Fischer*
Name: *Patricia K. Fischer*
Title: *President*

Acknowledged and accepted:

AMALGAMATED BANK

By _____
Louis J. DeLuca
Senior Vice President

[Signature page to Security and Pledge Agreement]

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

**DORSEY SCHOOL OF BUSINESS
HOLDINGS, INC.**

By: _____
Name:
Title:

**DORSEY SCHOOL OF BUSINESS,
INC.**

By: _____
Name:
Title:

Acknowledged and accepted:

AMALGAMATED BANK

By 

Louis J. DeLuca
Senior Vice President

SCHEDULE OF OFFICES AND LIST OF FORMER NAMES

1. Address of Debtors' chief executive offices and principal places of business:

Name of Company	Addresses	Former Names/d/ba	Mergers or Consolidations
Dorsey School of Business Holdings, Inc.	30755 Barrington, Suite 100, Oakland County, Madison Heights, MI 48071		N/A
Dorsey School of Business, Inc.	30755 Barrington, Suite 100, Oakland County, Madison Heights, MI 48071	Dorsey Schools Dorsey School of Business	N/A

2. Addresses of all offices where the original books of account and records of the Debtors relating to the Accounts, Contracts, Leases, Intellectual Property, Investment Property and other Financial Assets are kept:

Name of Company	Addresses
Dorsey School of Business Holdings, Inc.	30755 Barrington, Suite 100, Oakland County, Madison Heights, MI 48071
Dorsey School of Business, Inc.	30755 Barrington, Suite 100, Oakland County, Madison Heights, MI 48071

SCHEDULE OF INVENTORY AND EQUIPMENT LOCATIONS

Name of Company	Addresses
Dorsey School of Business Holdings, Inc.	30755 Barrington, Suite 100, Oakland County, Madison Heights, MI 48071
Dorsey School of Business, Inc.	30755 Barrington, Suite 100, Oakland County, Madison Heights, MI 48071

SCHEDULE OF PLEDGED SHARES

Name of Pledgor	Name of Issuer	Number of Shares/Units	Class of Shares	Par Value	Percentage of Class	Stock Certificate No.
Dorsey School of Business Holdings, Inc.	Dorsey School of Business, Inc.	12,500	Common Stock	\$1.00	100%	13

Restrictions on Transfer of Pledged Shares:

SCHEDULE OF INTELLECTUAL PROPERTY

Patents: NONE

Patent Applications: NONE

Patent Licenses: NONE

Trademarks:

Trademark	Registration No.	Registration Filing Date	Expiration Date	Owner
The Career Connection	3,210,064	Feb. 20, 2007	Feb. 20, 2017	Dorsey School of Business Holdings, Inc.

Trademark Applications: NONE

Trademark Licenses: NONE

Copyrights: NONE

Copyright Applications: NONE

Copyright Licenses: NONE

SCHEDULE OF INSTRUMENTS

NONE

S-V

SCHEDULE OF COMMERCIAL TORT CLAIMS

NONE

S-VI

SCHEDULE OF DEPOSIT ACCOUNTS

Account Holder	Bank	Account #	Type	Location
Dorsey School of Business Holdings, Inc.	United Bank and Trust		Business Checking	2723 S. State St. Suite 110 Ann Arbor, MI 48104 Pam Sexton Ph: (734) 214-3700
Dorsey School of Business, Inc.	Bank of America		Refund Account, Direct Loan Account, 3 Business Checking Accounts, FFELP Account, PELL Account	2600 W. Big Beaver Rd. Troy, MI 48098 Judith Rinkus, SVP Ph: (248) 631-0508 Fax: (312) 453-2146
	United Bank and Trust		Money Market	2723 S. State St. Suite 110 Ann Arbor, MI 48104 Pam Sexton Ph: (734) 214-3700

FORM OF IRREVOCABLE PROXY

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

This Irrevocable Proxy is given to the Bank and to its officers and employees in consideration of the transactions contemplated by, and in order to carry out the covenant of the undersigned contained in, a certain Security and Pledge Agreement of even date herewith among the undersigned, certain affiliates of the undersigned party thereto, the Bank, and certain other parties thereto (as it may be amended, modified or supplemented from time to time, the "**Security Agreement**"), and this Proxy shall be irrevocable and coupled with an interest, and shall be effective and binding upon the undersigned and its successors and assigns until the termination of the Revolving Credit Commitment under the Credit Agreement (as such terms are defined in the Security Agreement) and the payment in full of all of the Obligations (as defined therein), and may be exercised only after the occurrence and continuance of an Event of Default (as defined therein).

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

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

[_____]

By: _____

Name:

Title:

SPECIAL POWER OF ATTORNEY

STATE OF _____)
) ss.:
COUNTY OF _____)

KNOW ALL PEOPLE BY THESE PRESENTS, THAT _____, a
_____ (the "Assignor") hereby irrevocably appoints and constitutes
Amalgamated Bank (the "Assignee"), its true and lawful attorney, with full power of
substitution, and with full power and authority to perform the following acts on behalf of the
Assignor:

1. For the purpose of assigning, selling, licensing or otherwise disposing of all right,
title and interest of the Assignor in and to any and all patents from time to time
owned by the Assignor, including without limitation those listed on Schedule I
hereto (the "Patents"), any and all trademarks, trade names, trade styles and
service marks from time to time owned by the Assignor, including without
limitation those listed in Schedule II hereto (the "Trademarks"), any and all
copyrights from time to time owned by the Assignor, including without limitation
listed in Schedule III hereto (the "Copyrights"), and all registrations, recordings,
reissues, extensions and renewals of any of the foregoing, and all pending
applications therefor, for the purpose of continuing, protecting and preserving the
Patents, the Trademarks and the Copyrights, and for the purpose of the recording,
registering and filing of, or accomplishing any other formality with respect to, the
foregoing, (a) to execute on its own behalf and/or on the behalf and stead of the
Assignor and deliver any and all agreements, documents, instruments of
assignment or other papers necessary or advisable to effect such purpose and (b)
to take such other actions with respect to the Patents, the Trademarks or the
Copyrights as the Assignee deems in its best interest; and
2. To execute on its own behalf and/or on the behalf and stead of the Assignor any
and all documents, statements, certificates or other papers necessary or advisable
in order to effectuate any of the purposes described above as the Assignee may in
its sole discretion determine.

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

SCHEDULE OF PATENTS

B-3

SCHEDULE OF TRADEMARKS

B-4

Schedule III to
Special Power of Attorney

SCHEDULE OF COPYRIGHTS

B-5

SUPPLEMENT NO. _____ dated as of _____, ____ to the Security and Pledge Agreement dated as of October _____, 2010 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the “**Security Agreement**”) among DORSEY SCHOOL OF BUSINESS HOLDINGS, INC., Delaware corporation, DORSEY SCHOOL OF BUSINESS, INC., a Michigan corporation, and any other party that may heretofore have become a Debtor from time to time pursuant to Section 29 of the Security Agreement (each, a “**Debtor**” and, collectively, the “**Debtors**”), and AMALGAMATED BANK (the “**Bank**”).

RECITALS:

A. The Debtors have entered into the Security Agreement in order to induce the Bank to extend credit under the Credit Agreement specified therein. The Credit Agreement contemplates that all subsidiaries of the Debtors, including future subsidiaries, enter into the Security Agreement as Debtors. Section 29 of the Security Agreement provides that additional subsidiaries of the Debtors may become Debtors under the Security Agreement by execution and delivery of an instrument in the form of this Supplement. The undersigned subsidiary of _____ (the “**New Subsidiary**”) is executing this Supplement in accordance with the requirements of the Credit Agreement to become a Debtor under the Security Agreement in order to induce the Bank to continue to extend credit to the Debtors and as consideration for credit previously extended to them.

Now therefore, the New Subsidiary agrees as follows for the benefit of the Bank:

1. Definitions.

Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Security Agreement.

2. Agreement to be Bound.

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

3. Representations and Warranties.

The New Subsidiary represents and warrants to the Bank that this Supplement has been duly authorized, executed and delivered by it and constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms.

4. Miscellaneous.

(a) This Supplement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Supplement shall become effective when the Bank shall have received counterparts of this Supplement signed by the New Subsidiary.

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

(c) THIS SUPPLEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO ITS PRINCIPLES OF CONFLICT OF LAWS, OTHER THAN SECTIONS 5-1401 AND 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW.

(d) In case any one or more of the provisions contained in this Supplement should be held invalid, illegal or unenforceable in any respect, neither party hereto shall be required to comply with such provision for so long as such provision is held to be invalid, illegal or unenforceable, but the validity, legality and enforceability of the remaining provisions contained herein or in the Security Agreement shall not in any way be affected or impaired.

(e) All communications and notices hereunder shall be in writing and given as provided in the Security Agreement, as appropriate. All communications and notices hereunder to the New Subsidiary shall be given to it at the address set forth next to its signature.

(f) The New Subsidiary agrees to reimburse the Bank for its reasonable out-of-pocket expenses in connection with this Supplement, including the reasonable fees, other charges and disbursements of counsel.

IN WITNESS WHEREOF, the New Subsidiary has duly executed this Supplement as of the day and year first above written.

Address: _____

Attention: _____
Telecopier: _____

[Name of New Subsidiary]

By: _____
Name:
Title: