

TRADEMARK ASSIGNMENT COVER SHEET

Electronic Version v1.1
Stylesheet Version v1.2

ETAS ID: TM376721

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	SECURITY INTEREST

CONVEYING PARTY DATA

Name	Formerly	Execution Date	Entity Type
MASTER MOLDED PRODUCTS, LLC		03/11/2016	Limited Liability Company: MICHIGAN
RIVER BEND INDUSTRIES, LLC		03/11/2016	Limited Liability Company: MICHIGAN
HOSPITEC, LLC		03/11/2016	Limited Liability Company: MICHIGAN
QUANTUM PLASTICS, LLC		03/11/2016	Limited Liability Company: MICHIGAN
PLASTICOS ACQUISITION, LLC		03/11/2016	Limited Liability Company: MICHIGAN
3D ACQUISITION, LLC		03/11/2016	Limited Liability Company: MICHIGAN
PROMEX ACQUISITION, LLC		03/11/2016	Limited Liability Company: MICHIGAN
PROMEX HOLDINGS, LLC		03/11/2016	Limited Liability Company: MICHIGAN
1000 DAVIS ROAD, LLC		03/11/2016	Limited Liability Company: MICHIGAN

RECEIVING PARTY DATA

Name:	MVC CAPITAL, INC.
Street Address:	287 BOWMAN AVENUE
Internal Address:	2ND FLOOR
City:	PURCHASE
State/Country:	NEW YORK
Postal Code:	10577
Entity Type:	Corporation: DELAWARE

PROPERTY NUMBERS Total: 1

Property Type	Number	Word Mark
Serial Number:	86371175	RICEYLENE

CORRESPONDENCE DATA

Fax Number: 2025339099

*Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent***TRADEMARK**

using a fax number, if provided; if that is unsuccessful, it will be sent via US Mail.

Phone: 202-467-8800
Email: BEHOUE@VORYS.COM, LCSTRIGGLES@VORYS.COM
Correspondent Name: VORYS, SATER, SEYMOUR AND PEASE LLP
Address Line 1: P.O. BOX 2255 -- IPLAW@VORYS
Address Line 2: ATTN: TANYA MARIE CURCIO
Address Line 4: COLUMBUS, OHIO 43216-2255

ATTORNEY DOCKET NUMBER: 73074-2/0769/86371175

NAME OF SUBMITTER: Bernice Hogue

SIGNATURE: /bernice hogue/

DATE SIGNED: 03/15/2016

Total Attachments: 54

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THIS AGREEMENT IS SUBJECT TO THE TERMS OF A SUBORDINATION AND INTERCREDITOR AGREEMENT, DATED AS OF MARCH 11, 2016, BY AND BETWEEN THE HUNTINGTON NATIONAL BANK AND MVC CAPITAL, INC., WHICH AGREEMENT (AS AMENDED FROM TIME TO TIME IN ACCORDANCE WITH ITS TERMS) IS INCORPORATED HEREIN BY REFERENCE.

SECURITY AGREEMENT

THIS SECURITY AGREEMENT (the "**Agreement**") dated as of March 11, 2016, is entered into by and among the Borrowers (as defined below), the Guarantors (as defined below) and such other entities which from time to time become parties hereto (together with the Borrowers and the Guarantors, each a "**Debtor**" and, collectively, the "**Debtors**") and MVC Capital, Inc., a Delaware corporation ("**Lender**"). The addresses for the Debtors and Lender, as of the date hereof, are set forth on the signature pages attached hereto.

RECITALS:

A. Master Molded Products, LLC, a Michigan limited liability company ("**MMP**") River Bend Industries, LLC, a Michigan limited liability company ("**RBI**"), Hospitec, LLC, a Michigan limited liability company ("**Hospitec**"), Quantum Plastics, LLC, a Michigan limited liability company ("**Plastics**"), Plasticos Acquisition, LLC, a Michigan limited liability company, and 3D Acquisition, LLC, a Michigan limited liability company (together with MMP, RBI, Hospitec, Plastics and Plasticos, each a "**Borrower**" and collectively, the "**Borrowers**"), have entered into that certain Senior Subordinated Credit Agreement dated as of March 11, 2016 (as amended, restated, supplemented or otherwise modified from time to time, the "**Credit Agreement**"), pursuant to which Lender has agreed, subject to the satisfaction of certain terms and conditions, to extend or to continue to extend financial accommodations to the Borrowers, as provided therein.

B. Pursuant to the Credit Agreement, Lender has required that Promex Acquisition, LLC, a Michigan limited liability company ("**Promex Acquisition**"), Promex Holdings, LLC, a Michigan limited liability company ("**Promex Holdings**"), and 1000 Davis Road, LLC, a Michigan limited liability company (together with Promex Acquisition and Promex Holdings, collectively, the "**Guarantors**"), guaranty the Indebtedness (as defined below) and that each of the Debtors grant certain Liens to Lender, for the benefit of Lender, all to secure the Indebtedness to Lender under the Credit Agreement, the Guaranty and the other Loan Documents.

C. The Debtors have directly and indirectly benefited, and will directly and indirectly benefit, from the transactions evidenced by and contemplated in the Credit Agreement and the other Loan Documents.

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

ARTICLE 1
Definitions

Section 1.1 Definitions. As used in this Agreement, except as otherwise provided, capitalized terms not otherwise defined herein have the meanings provided for such terms in the Credit Agreement. References to "Sections," "subsections," "Exhibits" and "Schedules" shall be to Sections, subsections, Exhibits and Schedules, respectively, of this Agreement unless otherwise specifically provided including any amendments, modifications, or replacements thereto. All references to statutes and regulations shall include any amendments of the same and any successor statutes and regulations. References to particular sections of the UCC should be read to refer also to parallel sections of the Uniform Commercial Code as enacted in each state or other jurisdiction which may be applicable to the grant and perfection of the Liens held by Lender pursuant to this Agreement.

The following terms have the meanings indicated below, all such definitions to be equally applicable to the singular and plural forms of the terms defined:

"Account" shall mean any "account," as such term is defined in Article or Chapter 9 of the UCC, now owned or hereafter acquired by a Debtor, and, in any event, shall include, without limitation, each of the following, whether now owned or hereafter acquired by such Debtor: (a) all rights of such Debtor to payment for goods sold or leased or services rendered, whether or not earned by performance, (b) all accounts receivable of such Debtor, (c) all rights of such Debtor to receive any payment of money or other form of consideration, (d) all security pledged, assigned or granted to or held by such Debtor to secure any of the foregoing, (e) all guaranties of, or indemnifications with respect to, any of the foregoing, and (f) all rights of such Debtor as an unpaid seller of goods or services, including, but not limited to, all rights of stoppage in transit, replevin, reclamation and resale.

"Account Debtors" shall mean any Account debtor, as such term is defined in Article or Chapter 9 of the UCC, now owned or hereafter acquired by any Debtor.

"Affiliate" shall mean as to any Person, any other Person (excluding any Subsidiary) which, directly or indirectly, is in control of, is controlled by, or is under common control with such Person. For purposes of this definition, a Person shall be deemed to be "controlled by" a Person if such Person possesses, directly or indirectly, power either (i) to vote ten percent (10%) or more of the securities having ordinary voting power for the election of directors of such Person or (ii) to direct or cause the direction of the management and policies of such Person whether by control or otherwise.

"Anti-Terrorism Laws" shall mean those laws and sanctions relating to terrorism or money laundering, including Executive Order No. 13224, the USA PATRIOT Act (Public Law 107-56), the Bank Secrecy Act (Public Law 91-508), the Trading with the Enemy Act (50 U.S.C. App. Section 1 et. seq.), the International Emergency Economic Powers Act (50 U.S.C. Section 1701 et. seq.), and the sanction regulations promulgated pursuant thereto by the Office of Foreign Assets Control, as well as laws relating to prevention and detection of money laundering in 18 U.S.C. Sections 1956 and 1957 (as any of the foregoing may from time to time be amended, renewed, extended or replaced).

“Blocked Person” shall mean any of the following: (a) a Person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order No. 13224; (b) a Person owned or controlled by, or acting for or on behalf of, any Person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order No. 13224; (c) a Person with which Lender is prohibited from dealing or otherwise engaging in any transaction by any Anti-Terrorism Law; (d) a Person that commits, threatens or conspires to commit or supports “terrorism” as defined in the Executive Order No. 13224; (e) a Person that is named as a “specially designated national” on the most current list published by the U.S. Treasury Department Office of Foreign Assets Control at its official website or any replacement website or other replacement official publication of such list; or (f) a Person who is affiliated or associated with a Person listed above.

“Business Day” shall mean any day other than a Saturday, a Sunday, or a federal holiday, on which national banks are open for business in New York, New York.

“Chattel Paper” shall mean any “chattel paper,” as such term is defined in Article or Chapter 9 of the UCC, now owned or hereafter acquired by a Debtor, and shall include both electronic Chattel Paper and tangible Chattel Paper.

“Collateral” shall mean all of the personal property owned by a Debtor, whether now owned or existing, or hereafter arising or acquired or received by a Debtor, wherever located, including, without limitation, all of the following personal property owned by a Debtor:

(a) all Accounts; all Inventory; all Equipment and Fixtures; all General Intangibles, Payment Intangibles, and Intellectual Property Collateral; all Investment Property and Subsidiary Interests; all Deposit Accounts and any and all monies credited by or due from any financial institution or any other depository; all Goods and other personal property, including all merchandise returned or rejected by Account Debtors, relating to or securing any of the Accounts; all rights as a consignor, a consignee, an unpaid vendor, mechanic, artisan, or other lienor, including stoppage in transit, setoff, detinue, replevin, reclamation and repurchase; all additional amounts due to a Debtor from any Account Debtors relating to the Accounts; other property, including warranty claims, relating to any Goods; all contract rights, rights of payment earned under a contract right, Instruments (including, without limit, promissory notes), Chattel Paper (including, without limit, electronic Chattel Paper), Documents, warehouse receipts, letters of credit, and money; all Commercial Tort Claims (whether now existing or hereafter arising); all Letter-of-Credit Rights (whether or not such letter of credit is evidenced by a writing); all Supporting Obligations; all personal property of third parties in which a Debtor has been granted a lien or security interest as security for the payment or enforcement of Accounts; and any other goods or personal property, if any, in which a Debtor may hereafter in writing grant a security interest to Lender hereunder, or in any amendment or supplement hereto or thereto, or under any other agreement between Lender and Debtors, or any of them; and

(b) each Debtor’s ledger sheets, ledger cards, files, correspondence, records, books of account, business papers, computers, computer software (owned by any such Debtor or in which it has an interest), computer programs, electronic media, tapes, disks and documents relating to subsection (a) of this definition of Collateral; and

(c) all proceeds and products of subsections (a) and (b) of this definition of Collateral in whatever form, including: cash, Deposit Accounts (whether or not comprised solely of proceeds), certificates of deposit, insurance proceeds (including hazard, flood and credit insurance), negotiable instruments and other instruments for the payment of money, Chattel Paper, security agreements, Documents, eminent domain proceeds, condemnation proceeds and tort claim proceeds.

“Commercial Tort Claims” shall mean any Commercial tort claims, as such term is defined in Article or Chapter 9 of the UCC, now owned or hereafter acquired by any Debtor as described on *Schedule 1.3* hereto and made a part hereof.

“Computer Records” shall mean any computer records now owned or hereafter acquired by any Debtor.

“Copyright Licenses” shall mean all license agreements with any other Person in connection with any of the Copyrights or such other Person’s copyrights, whether a Debtor is a licensor or a licensee under any such license agreement, including, without limitation, the license agreements listed on *Schedule 1.1* hereto and made a part hereof, subject, in each case, to the terms of such license agreements and the right to prepare for sale, sell and advertise for sale, all inventory now or hereafter covered by such licenses.

“Copyrights” shall mean all copyrights and mask works, whether or not registered, and all applications for registration of all copyrights and mask works, including, but not limited to all copyrights, mask works, and applications for registration of all copyrights and mask works identified on *Schedule 1.1* attached hereto and made a part hereof, and including without limitation (a) the right to sue or otherwise recover for any and all past, present and future infringements and misappropriations thereof; (b) all income, royalties, damages and other payments now and hereafter due and/or payable with respect thereto (including, without limitation, payments under all Copyright Licenses entered into in connection therewith, and damages and payments for past or future infringements thereof); and (c) all rights corresponding thereto and all modifications, adaptations, translations, enhancements and derivative works, renewals thereof, and all other rights of any kind whatsoever of a Debtor accruing thereunder or pertaining thereto.

“Deposit Account” shall mean a demand, time, savings, passbook, or similar account maintained with a bank. The term does not include Investment Property, investment accounts or accounts evidenced by an Instrument.

“Document” shall mean any “document,” as such term is defined in Article or Chapter 9 of the UCC, now owned or hereafter acquired by any Debtor, including, without limitation, all documents of title and all receipts covering, evidencing or representing goods now owned or hereafter acquired by a Debtor.

“Equipment” shall mean any “equipment,” as such term is defined in Article or Chapter 9 of the UCC, now owned or hereafter acquired by a Debtor and, in any event, shall include, without limitation, all machinery, equipment, furniture, trade fixtures, tractors, trailers, rolling stock, vessels, aircraft and Vehicles now owned or hereafter acquired by such Debtor and any

and all additions, substitutions and replacements of any of the foregoing, wherever located, together with all attachments, components, parts, equipment and accessories installed thereon or affixed thereto.

“Equity Interests” shall mean, with respect to any Person, (a) all of the shares of capital stock of, or other ownership or profit interests in, such Person, whether voting or non-voting, and including common stock, preferred stock, any partnership, membership, limited liability company or trust interests or other equivalents (whether or not designated as such) or other “equity security” (as such term is defined in Rule 3a11-1 of the Rules and Regulations promulgated by the Securities and Exchange Commission (17 C.F.R. § 240.3a11-1) under the Securities Exchange Act of 1934, as amended), (b) all securities or Debt convertible into or exchangeable for any of the foregoing, whether directly or indirectly, and (c) all warrants, options and other rights to purchase or acquire any of the foregoing, whether directly or indirectly.

“GAAP” shall mean Generally Accepted Accounting Principles as promulgated by the United States of America Financial Accounting Standards Board in the United States of America in effect from time to time.

“General Intangibles” shall mean any “general intangibles,” as such term is defined in Article or Chapter 9 of the UCC, now owned or hereafter acquired by a Debtor and, in any event, shall include, without limitation, each of the following, whether now owned or hereafter acquired by such Debtor: (a) all of such Debtor’s Intellectual Property Collateral; (b) all of such Debtor’s books, records, data, plans, manuals, computer software, computer tapes, computer disks, computer programs, source codes, object codes and all rights of such Debtor to retrieve data and other information from third parties; (c) all of such Debtor’s contract rights, commercial tort claims, partnership interests, membership interests, joint venture interests, securities, deposit accounts, investment accounts and certificates of deposit; (d) all rights of such Debtor to payment under chattel paper, documents, instruments and similar agreements; (e) letters of credit, letters-of-credit rights supporting obligations and rights to payment for money or funds advanced or sold to such Debtor; (f) all tax refunds and tax refund claims of such Debtor; (g) all choses in action and causes of action of such Debtor (whether arising in contract, tort or otherwise and whether or not currently in litigation) and all judgments in favor of such Debtor; (h) all rights and claims of such Debtor under warranties and indemnities, (i) all Health-Care-Insurance Receivables; and (j) all rights of such Debtor under any insurance, surety or similar contract or arrangement.

“Goods” shall mean any Goods, as such term is defined in Article or Chapter 9 of the UCC, now owned or hereafter acquired by any Debtor.

“Governmental Authority” shall have the meaning set forth in the Credit Agreement.

“Health-Care-Insurance Receivable” shall mean any Health-Care-Insurance receivable, as such term is defined in Article or Chapter 9 of the UCC, now owned or hereafter acquired by any Debtor.

“Indebtedness” shall have the meaning set forth in the Credit Agreement.

“Instrument” shall mean any “instrument,” as such term is defined in Article or Chapter 9 of the UCC, now owned or hereafter acquired by any Debtor, and, in any event, shall include all promissory notes (including without limitation, any intercompany notes held by such Debtor), drafts, bills of exchange and trade acceptances, whether now owned or hereafter acquired.

“Insurance Proceeds” shall have the meaning set forth in **Section 4.4** of this Agreement.

“Intellectual Property Collateral” shall mean all of a Debtor’s right, title, and interest in Patents, Patent Licenses, Copyrights, Copyright Licenses, Trademarks, Trademark Licenses, trade secrets, registrations, goodwill, franchises, permits, proprietary information, customer lists, designs, inventions and all other intellectual property and proprietary rights, including without limitation those described on ***Schedule 1.1*** attached hereto and incorporated herein by reference.

“Inventory” shall mean any “inventory,” as such term is defined in Article or Chapter 9 of the UCC, now owned or hereafter acquired by a Debtor, and, in any event, shall include, without limitation, each of the following, whether now owned or hereafter acquired by such Debtor: (a) all goods and other personal property of such Debtor that are held for sale or lease or to be furnished under any contract of service; (b) all raw materials, work-in-process, finished goods, supplies and materials of such Debtor; (c) all wrapping, packaging, advertising and shipping materials of such Debtor and (d) all goods that have been returned to, repossessed by or stopped in transit by such Debtor.

“Investment Property” shall mean any “investment property” as such term is defined in Article or Chapter 9 of the UCC, now owned or hereafter acquired by a Debtor, and in any event, shall include, without limitation, all Equity Interests constituting securities, of the Subsidiaries of such Debtor from time to time owned or acquired by such Debtor in any manner (including, without limitation, the Pledged Shares), and the certificates and all dividends, cash, instruments, rights and other property from time to time received, receivable or otherwise distributed or distributable in respect of or in exchange for any or all of such Equity Interests, but excluding any Equity Interests in any Foreign Subsidiaries of such Debtor in excess of sixty five percent (65%) of the voting power of all classes of Equity Interests in such Foreign Subsidiaries entitled to vote.

“Lien” shall mean any (i) lien, security interest, mortgage, deed of trust, or any other type of lien, charge, encumbrance, title exception, negative pledge, preferential or priority arrangement affecting any property (real or personal) or asset (including, in each case, to the extent arising from any pledge, assignment, hypothecation, deposit arrangement, option, trust receipt, conditional sale or title retaining contract, sale and leaseback transaction, Capitalized Lease, consignment or bailment for security), in each case whether based on common law or statute.

“Loan Documents” shall mean this Agreement, the Credit Agreement, the Term Note, the Security Agreement, the Guaranty, the Subordination Agreement, the Mortgages, the Deposit Account Control Agreement, and any other guaranties, security agreements, collateral assignments, pledge agreements, account assignments, control agreements, reimbursement agreements, any other subordination agreements or intercreditor agreements and any and all

agreements, instruments and documents, including powers of attorney, consents, and all other writings heretofore, now or hereafter executed by any Debtor or delivered to Lender in connection with this Agreement or otherwise.

“Patent Licenses” shall mean all license agreements with any other Person in connection with any of the Patents or such other Person’s patents, whether a Debtor is a licensor or a licensee under any such license agreement, including, without limitation, the license agreements listed on *Schedule 1.1* hereto and made a part hereof, subject, in each case, to the terms of such license agreements and the right to prepare for sale, sell and advertise for sale, all inventory now or hereafter covered by such licenses.

“Patents” shall mean all letters patent, patent applications and patentable inventions, including, without limitation, all letters patent and patent applications identified on *Schedule 1.1* attached hereto and made a part hereof, and including without limitation, (a) all inventions and improvements described and claimed therein, and patentable inventions, (b) the right to sue or otherwise recover for any and all past, present and future infringements and misappropriations thereof, (c) all income, royalties, damages and other payments now and hereafter due and/or payable with respect thereto (including, without limitation, payments under all Patent Licenses entered into in connection therewith, and damages and payments for past or future infringements thereof), and (d) all rights corresponding thereto and all reissues, divisions, continuations, continuations-in-part, substitutes, renewals, and extensions thereof, all improvements thereon, and all other rights of any kind whatsoever of a Debtor accruing thereunder or pertaining thereto.

“Payment Intangibles” shall mean any Payment intangibles, as such term is defined in Article or Chapter 9 of the UCC, now owned or hereafter acquired by any Debtor.

“Permitted Liens” shall have the meaning given to such term in the Credit Agreement.

“Person” shall mean any individual, sole proprietorship, partnership, corporation, business trust, joint stock company, trust, unincorporated organization, association, limited liability company, institution, public benefit corporation, joint venture, entity or governmental body.

“Pledged Shares” shall mean the Equity Interests described on *Schedule 1.2* attached hereto and incorporated herein by reference, and all other Equity Interests acquired by any Debtor after the date hereof, but excluding any Equity Interests in any Foreign Subsidiaries of such Debtor in excess of 65% of the voting power of all classes of Equity Interests in such Foreign Subsidiaries entitled to vote.

“Proceeds” shall mean any “proceeds,” as such term is defined in Article or Chapter 9 of the UCC and, in any event, shall include, but not be limited to, (a) any and all proceeds of any insurance, indemnity, warranty or guaranty payable to a Debtor from time to time with respect to any of the Collateral, (b) any and all payments (in any form whatsoever) made or due and payable to a Debtor from time to time in connection with any requisition, confiscation, condemnation, seizure or forfeiture of all or any part of the Collateral by any Governmental Authority (or any Person acting, or purporting to act, for or on behalf of any Governmental

Authority), and (c) any and all other amounts from time to time paid or payable under or in connection with any of the Collateral.

“**Records**” are defined in **Section 3.2** of this Agreement.

“**Restricted Assets**” are defined in **Section 2.1** of this Agreement.

“**Software**” shall mean all (i) computer programs and supporting information provided in connection with a transaction relating to the program, and (ii) computer programs embedded in goods and any supporting information provided in connection with a transaction relating to the program whether or not the program is associated with the goods in such a manner that it customarily is considered part of the goods, and whether or not, by becoming the owner of the goods, a Person acquires a right to use the program in connection with the goods, and whether or not the program is embedded in goods that consist solely of the medium in which the program is embedded.

“**Subsidiary**” shall mean, with respect to any Person, a corporation or other entity of whose Equity Interests having ordinary voting power (other than Equity Interests having such power only by reason of the happening of a contingency) to elect a majority of the directors of such corporation, are owned, directly or indirectly, by such Person.

“**Subsidiary Interests**” shall mean all of the issued and outstanding Equity Interests of any Subsidiary owned by a Debtor (not to exceed sixty five percent (65%) of the Equity Interests of any Foreign Subsidiary).

“**Supporting Obligations**” shall mean any Supporting obligations, as such term is defined in Article of Chapter 9 of the UCC, now owned or hereafter acquired by any Debtor.

“**Taxes**” shall mean any and all present or future taxes of any kind, including, but not limited to, levies, imposts, duties, surtaxes, charges, fees, deductions or withholdings now or hereafter imposed, levied, collected, withheld or assessed by any Governmental Authority (together with any interest, penalties, fines, additions to taxes or similar liabilities with respect thereto).

“**Trademark Licenses**” shall mean all license agreements with any other Person in connection with any of the Trademarks or such other Person’s names or trademarks, whether a Debtor is a licensor or a licensee under any such license agreement, including, without limitation, the license agreements listed on **Schedule 1.1** hereto and made a part hereof, subject, in each case, to the terms of such license agreements, and the right to prepare for sale, and to sell and advertise for sale, all inventory now or hereafter covered by such licenses.

“**Trademarks**” shall mean all trademarks, service marks, trade names, trade dress or other indicia of trade origin, trademark and service mark registrations, and applications for trademark or service mark registrations (except for “intent to use” applications for trademark or service mark registrations filed pursuant to Section 1(b) of the Lanham Act, unless and until an Amendment to Allege Use or a Statement of Use under Sections 1(c) and 1(d) of said Act has been filed), and any renewals thereof, including, without limitation, each registration and application identified on **Schedule 1.1** attached hereto and made a part hereof, and including

without limitation (a) the right to sue or otherwise recover for any and all past, present and future infringements and misappropriations thereof; (b) all income, royalties, damages and other payments now and hereafter due and/or payable with respect thereto (including, without limitation, payments under all Trademark Licenses entered into in connection therewith, and damages and payments for past or future infringements thereof) and (c) all rights corresponding thereto and all other rights of any kind whatsoever of a Debtor accruing thereunder or pertaining thereto, together in each case with the goodwill of the business connected with the use of, and symbolized by, each such trademark, service mark, trade name, trade dress or other indicia of trade origin.

“**UCC**” shall mean the Uniform Commercial Code as in effect in the State of Ohio; *provided* that if, by applicable law, the perfection or effect of perfection or non-perfection of the security interest created hereunder in any Collateral is governed by the Uniform Commercial Code as in effect on or after the date hereof in any other jurisdiction, “UCC” means the Uniform Commercial Code as in effect in such other jurisdiction for purposes of the provisions hereof relating to such perfection or the effect of perfection or non-perfection.

“**Vehicles**” shall mean all cars, trucks, trailers, construction and earth moving equipment and other vehicles covered by a certificate of title law of any state and all tires and other appurtenances to any of the foregoing.

Section 1.2 Accounting Terms. All accounting terms not specifically defined herein shall be defined in accordance with GAAP. All financial computations to be made under this Agreement, unless otherwise specifically provided herein, shall be construed in accordance with GAAP. Whenever the term “Debtor” is used in respect of a financial covenant or a related definition, it shall be understood to mean Debtor and its Subsidiaries on a consolidated basis unless the context clearly requires otherwise.

Section 1.3 Uniform Commercial Code. All capitalized terms used herein with reference to the Collateral and defined in the UCC from time to time shall have the meaning given therein unless otherwise defined herein. To the extent the definition of any category or type of Collateral is expanded by any amendment, modification or revision to the UCC, such expanded definition will apply automatically as of the effective date of such amendment, modification or revision.

ARTICLE 2 **Security Interest**

Section 2.1 Grant of Security Interest. As collateral security for the prompt payment and performance in full when due of the Indebtedness, whether at stated maturity, by acceleration or otherwise, each Debtor hereby pledges, assigns, transfers and conveys to Lender as collateral, and grants Lender a continuing Lien on and security interest in, all of such Debtor’s right, title and interest in and to the Collateral, whether now owned or hereafter arising or acquired and wherever located; *provided, however*, that “Collateral” shall not include (i) any Equity Interests in any Foreign Subsidiaries of such Debtor in excess of 65% of the voting power of all classes of Equity Interests in such Foreign Subsidiaries entitled to vote or (ii) rights under or with respect to any General Intangible, license, permit or authorization to the extent any such

General Intangible, license, permit or authorization, by its terms or by law, prohibits the assignment of, or the granting of a Lien over, the rights of a grantor thereunder or which would be invalid or unenforceable upon any such assignment or grant (the "**Restricted Assets**"), provided that (A) the Proceeds of any Restricted Asset shall continue to be deemed to be "Collateral", and (B) this provision shall not limit the grant of any Lien on or assignment of any Restricted Asset to the extent that the UCC or any other applicable law provides that such grant of Lien or assignment is effective irrespective of any prohibitions to such grant provided in any Restricted Asset (or the underlying documents related thereto). Concurrently with any such Restricted Asset being entered into or arising after the date hereof, the applicable Debtor shall be obligated to obtain any waiver or consent (in form and substance acceptable to Lender) necessary to allow such Restricted Asset to constitute Collateral hereunder if the failure of such Debtor to have such Restricted Asset would have a Material Adverse Effect.

Section 2.2 Debtors Remain Liable. Notwithstanding anything to the contrary contained herein, (a) the Debtors shall remain liable under the contracts, agreements, documents and instruments included in the Collateral to the extent set forth therein to perform all of its duties and obligations thereunder to the same extent as if this Agreement had not been executed, (b) the exercise by Lender of any of its rights or remedies hereunder shall not release the Debtors from any of their duties or obligations under the contracts, agreements, documents and instruments included in the Collateral, and (c) Lender shall not have any indebtedness, liability or obligation (by assumption or otherwise) under any of the contracts, agreements, documents and instruments included in the Collateral by reason of this Agreement, and none of them shall be obligated to perform any of the obligations or duties of the Debtors thereunder or to take any action to collect or enforce any claim for payment assigned hereunder.

ARTICLE 3 **Representations and Warranties**

To induce Lender to enter into this Agreement and Lender to enter into the Credit Agreement, each Debtor represents and warrants to Lender as follows, each such representation and warranty being a continuing representation and warranty, surviving until termination of this Agreement in accordance with the provisions of **Section 7.15** of this Agreement:

Section 3.1 Title. Such Debtor is, and with respect to Collateral acquired after the date hereof such Debtor will be, the legal and beneficial owner of the Collateral free and clear of any Lien or other encumbrance, except for the Permitted Liens.

Section 3.2 Change in Form or Jurisdiction; Successor by Merger; Location of Books and Records. As of the date hereof, each Debtor (a) is duly organized and validly existing as a corporation (or other business organization) under the laws of its jurisdiction of organization; (b) is formed in the jurisdiction of organization and has the registration number and tax identification number set forth on **Schedule 3.2** attached hereto; (c) has not changed its respective corporate form or its jurisdiction of organization at any time during the five years immediately prior to the date hereof, except as set forth on such **Schedule 3.2**; (d) except as set forth on such **Schedule 3.2** attached hereto, no Debtor has, at any time during the five years immediately prior to the date hereof, become the successor by merger, consolidation, acquisition, change in form, nature or jurisdiction of organization or otherwise of any other

Person, and (e) keeps true and accurate books and records regarding the Collateral (the "Records") in the office indicated on such *Schedule 3.2*.

Section 3.3 Representations and Warranties Regarding Certain Types of Collateral.

- (a) **Location of Inventory and Equipment.** As of the date hereof, (i) all Inventory (except Inventory in transit) and Equipment (except trailers, rolling stock, vessels, aircraft and Vehicles) of each Debtor are located at the places specified on *Schedule 3.3(a)* attached hereto, (ii) the name and address of the landlord leasing any location to any Debtor is identified on such *Schedule 3.3(a)*, and (iii) the name of and address of each bailee or warehouseman which holds any Collateral and the location of such Collateral is identified on such *Schedule 3.3(a)*.
- (b) **Account Information.** As of the date hereof, all Deposit Accounts, cash collateral accounts or investment accounts of each Debtor (except for those Deposit Accounts located at Senior Lender) are located at Senior Lender or the banks specified on *Schedule 3.3(b)* attached hereto, which Schedule sets forth the true and correct name of each bank where such accounts are located, such bank's address, the type of account and the account number.
- (c) **Documents.** As of the date hereof, except as set forth on *Schedule 3.3(c)*, none of the Inventory or Equipment of such Debtor (other than trailers, rolling stock, vessels, aircraft and Vehicles) is evidenced by a Document (including, without limitation, a negotiable document of title).
- (d) **Intellectual Property.** Set forth on *Schedule 1.1* (as the same may be amended from time to time) is a true and correct list of the registered Patents, Patent Licenses, registered Trademarks, Trademark Licenses, registered Copyrights and Copyright Licenses owned by the Debtors (including, in the case of the Patents, Trademarks and Copyrights, the applicable name, date of registration (or of application if registration not completed) and application or registration number).

Section 3.4 Pledged Shares.

- (a) **Duly Authorized and Validly Issued.** The Pledged Shares that are shares of a corporation have been duly authorized and validly issued and are fully paid and nonassessable, and the Pledged Shares that are membership interests or partnership units (if any) have been validly granted, under the laws of the jurisdiction of organization of the issuers thereof, and, to the extent applicable, are fully paid and nonassessable. No such membership or partnership interests constitute "securities" within the meaning of Article 8 of the UCC, and each Debtor covenants and agrees not to allow any such membership or partnership interest to become "securities" for purposes of Article 8 of the UCC.
- (b) **Valid Title; No Liens; No Restrictions.** Each Debtor is the legal and beneficial owner of the Pledged Shares, free and clear of any Lien (other than Permitted Liens), and such Debtor has not sold, granted any option with respect to, assigned,

transferred or otherwise disposed of any of its rights or interest in or to the Pledged Shares. None of the Pledged Shares are subject to any contractual or other restrictions upon the pledge or other transfer of such Pledged Shares, other than those imposed by securities laws generally. No issuer of Pledged Shares is party to any agreement granting "control" (as defined in Section 8-106 of the UCC) of such Debtor's Pledged Shares to any third party. All such Pledged Shares are held by each Debtor directly and not through any securities intermediary.

- (c) **Description of Pledged Shares; Ownership.** The Pledged Shares constitute the percentage of the issued and outstanding Equity Interests of the issuers thereof indicated on *Schedule 1.2* and such Schedule contains a description of all Equity Interests of or in any Subsidiaries owned by such Debtor.

Section 3.5 Intellectual Property.

- (a) **Filings and Recordation.** Each Debtor has made all necessary filings and recordations to protect and maintain its interest in the Trademarks, Patents and Copyrights set forth on *Schedule 1.1*, including, without limitation, all necessary filings and recordings, and payments of all maintenance fees, in the United States Patent and Trademark Office and United States Copyright Office to the extent such Trademarks, Patents and Copyrights are material to such Debtor's business. Also set forth on *Schedule 1.1* is a complete and accurate list of all of the material Trademark Licenses, Patent Licenses and Copyright Licenses owned by the Debtors as of the date hereof.
- (b) **Trademarks and Trademark Licenses Valid.** (i) Each Trademark of the Debtors set forth on *Schedule 1.1* (as the same may be amended from time to time) is subsisting and has not been adjudged invalid, unregistrable or unenforceable, in whole or in part, and, to the Debtors' knowledge, is valid, registrable and enforceable (other than any Trademark disposed of or abandoned in conformity with the provisions of this Agreement and the Credit Agreement), (ii) each of the Trademark Licenses set forth on *Schedule 1.1* is validly subsisting and has not been adjudged invalid or unenforceable, in whole or in part, and, to the Debtors' knowledge, is valid and enforceable, (other than any Trademark License which has ceased to be valid and enforceable in accordance with the terms thereof) and (iii) the Debtors have notified Lender in writing of all uses of any material Trademark and Trademark License of which any Debtor is aware which could reasonably be expected to lead to such item becoming invalid or unenforceable, including unauthorized uses by third parties and uses which were not supported by the goodwill of the business connected with such Collateral.
- (c) **Patents and Patent Licenses Valid.** (i) Each Patent of the Debtors set forth on *Schedule 1.1* (as the same may be amended from time to time) is subsisting and has not been adjudged invalid, unpatentable or unenforceable, in whole or in part, and, to the Debtors' knowledge, is valid, patentable and enforceable except as otherwise set forth on *Schedule 1.1* (as the same may be amended from time to

time), (other than any Patent disposed of or abandoned in conformity with the provisions of this Agreement, the Credit Agreement and the other Loan Documents) (ii) each of the Patent Licenses set forth on *Schedule 1.1* is validly subsisting and has not been adjudged invalid or unenforceable, in whole or in part, and, to the Debtors' knowledge, is valid and enforceable, (other than any Patent License which has ceased to be valid and enforceable in accordance with the terms thereof) and (iii) the Debtors have notified Lender in writing of all uses of any Patent and Patent License material to any Debtor's business of which any Debtor is aware which could reasonably be expected to lead to such item becoming invalid or unenforceable.

- (d) **Copyright and Copyright Licenses Valid.** (i) Each Copyright of the Debtors set forth on *Schedule 1.1* (as the same may be amended from time to time) is subsisting and has not been adjudged invalid, uncopyrightable or unenforceable, in whole or in part, and, to the Debtors' knowledge, is valid, copyrightable and enforceable, (other than any Copyright disposed of or abandoned in conformity with the provisions of this Agreement, the Credit Agreement and the other Loan Documents) (ii) each of the Copyright Licenses set forth on *Schedule 1.1* is validly subsisting and has not been adjudged invalid or unenforceable, in whole or in part, and, to the Debtors' knowledge, is valid and enforceable, (other than any Copyright License which has ceased to be valid and enforceable in accordance the terms thereof) and (iii) the Debtors have notified Lender in writing of all uses of any item of Copyright and Copyright License material to any Debtor's business of which any Debtor is aware which could reasonably be expected to lead to such item becoming invalid or unenforceable.
- (e) **No Assignment.** The Debtors have not made a previous assignment, sale, transfer or agreement constituting a present or future assignment, sale, transfer or encumbrance of any of the Intellectual Property Collateral, except with respect to non-exclusive licenses granted in the ordinary course of business or as permitted by this Agreement, the Credit Agreement or the other Loan Documents. No Debtor has granted any license, shop right, release, covenant not to sue, or non-assertion assurance to any Person with respect to any part of the Intellectual Property Collateral, except as set forth on *Schedule 1.1* or as otherwise disclosed to Lender in writing.
- (f) **Products Marked.** Each Debtor has marked its products with the trademark registration symbol, copyright notices, the numbers of all appropriate patents, the common law trademark symbol or the designation "patent pending," as the case may be, to the extent that Debtor, in good faith, believes is reasonably and commercially practicable.
- (g) **Other Rights.** Except for the Trademark Licenses, Patent Licenses and Copyright Licenses listed on *Schedule 1.1* under which a Debtor is a licensee, no Debtor has knowledge of the existence of any right or any claim (other than as provided by this Agreement) that is likely to be made under or against any item of

Intellectual Property Collateral contained on *Schedule 1.1* to the extent such claim could reasonably be expected to have a Material Adverse Effect.

- (h) **No Claims.** Except as set forth on *Schedule 1.1* or as otherwise disclosed to Lender in writing, no claim has been made and is continuing or, to any Debtor's knowledge, threatened that the use by any Debtor of any item of Intellectual Property Collateral is invalid or unenforceable or that the use by any Debtor of any Intellectual Property Collateral does or may violate the rights of any Person. To the Debtors' knowledge, there is no infringement or unauthorized use of any item of Intellectual Property Collateral contained on *Schedule 1.1* except as set forth on such *Schedule 1.1* or as otherwise disclosed to Lender in writing.

- (i) **No Consent.** No consent of any party (other than such Debtor) to any Patent License, Copyright License or Trademark License constituting Intellectual Property Collateral is required, or purports to be required, to be obtained by or on behalf of such Debtor in connection with the execution, delivery and performance of this Agreement that has not been obtained. Each Patent License, Copyright License and Trademark License constituting Intellectual Property Collateral is in full force and effect and constitutes a valid and legally enforceable obligation of the applicable Debtor and (to the knowledge of the Debtors) each other party thereto except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditor's rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law). No consent or authorization of, filing with or other act by or in respect of any Governmental Authority is required in connection with the execution, delivery, performance, validity or enforceability of any of the Patent Licenses, Copyright Licenses or Trademark Licenses by any party thereto other than those which have been duly obtained, made or performed and are in full force and effect. Neither the Debtors nor (to the knowledge of any Debtor) any other party to any Patent License, Copyright License or Trademark License constituting Collateral is in default in the performance or observance of any of the terms thereof, except for such defaults as would not reasonably be expected, in the aggregate, to have a material adverse effect on the value of the Intellectual Property Collateral. To the knowledge of such Debtor, the right, title and interest of the applicable Debtor in, to and under each Patent License, Copyright License and Trademark License constituting Intellectual Property Collateral is not subject to any defense, offset, counterclaim or claim, except for such defenses, offsets, counterclaims or claims as would not reasonably be expected, in the aggregate, to have a material adverse effect on the value of the Intellectual Property Collateral.

Section 3.6 Priority. No financing statement, security agreement or other Lien instrument covering all or any part of the Collateral is on file in any public office with respect to any outstanding obligation of such Debtor except (i) as may have been filed in favor of Lender pursuant to this Agreement, the Credit Agreement or the other Loan Documents, and (ii) financing statements filed in connection with Permitted Liens, including, without limitation,

financing statements filed in favor of Senior Lender pursuant to the Senior Debt Documents (to the extent permitted under the Subordination Agreement).

Section 3.7 Perfection. Upon (a) the filing of Uniform Commercial Code financing statements in the jurisdictions listed on *Schedule 3.7* attached hereto, and (b) the recording of this Agreement in the United States Patent and Trademark Office and the United States Copyright Office, the security interest in favor of Lender created herein will constitute a valid and perfected Lien upon and security interest in the Collateral which may be created and perfected either by filing financing statements under the UCC or by a filing with the United States Patent and Trademark Office and the United States Copyright Office.

Section 3.8 Anti-Terrorism Laws. No Debtor is in violation of any Anti-Terrorism Law or is engaged in nor has conspired to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in any Anti-Terrorism Law. No Debtor nor any other Loan Party (i) conducts any business or engages in making or receiving any contribution of funds, goods or services to or for the benefit of any Blocked Person, nor (ii) deals in, or otherwise engages in any transaction relating to, any property or interests in property blocked pursuant to the Executive Order No. 13224.

ARTICLE 4 **Covenants**

Each Debtor covenants and agrees with Lender, until termination of this Agreement in accordance with the provisions of **Section 7.15** hereof, as follows:

Section 4.1 Covenants Regarding Certain Kinds of Collateral.

(a) **Promissory Notes and Tangible Chattel Paper.** If Debtors, now or at any time hereafter, collectively hold or acquire any promissory notes or tangible Chattel Paper for which the principal amount thereof or the obligations evidenced thereunder are, in the aggregate, in excess of \$25,000, the applicable Debtors shall promptly notify Lender in writing thereof and, at the request and sole option of Lender, subject to the terms of the Subordination Agreement, forthwith endorse, assign and deliver the same to Lender, accompanied by such instruments of transfer or assignment duly executed in blank as Lender may from time to time reasonably specify, and cause all such Chattel Paper to bear a legend reasonably acceptable to Lender indicating that Lender has a security interest in such Chattel Paper.

(b) **Electronic Chattel Paper and Transferable Records.** If Debtors, now or at any time hereafter, collectively hold or acquire an interest in any electronic Chattel Paper or any "transferable record," as that term is defined in the federal Electronic Signatures in Global and National Commerce Act, or in the Uniform Electronic Transactions Act as in effect in any relevant jurisdiction, worth, in the aggregate, in excess of \$25,000, the applicable Debtors shall promptly notify Lender thereof and, at the request and option of Lender and subject to the terms of the Subordination Agreement, shall take such action as Lender may reasonably request to vest in Lender control, under Section 9-105 of the UCC, of such electronic chattel paper or control under the federal Electronic Signatures in Global and National Commerce Act, or the Uniform Electronic Transactions Act, as so in effect in such jurisdiction, of such transferable record.

(c) **Letter-of-Credit Rights.** If Debtors, now or at any time hereafter, collectively are or become beneficiaries under letters of credit, with an aggregate face amount in excess of \$25,000, the applicable Debtors shall promptly notify Lender thereof and, at the request of Lender, the applicable Debtors shall, pursuant to an agreement in form and substance reasonably satisfactory to Lender and subject to the terms of the Subordination Agreement, use commercially reasonable efforts to either arrange (i) for the issuer and any confirmer of such letters of credit to consent to an assignment to Lender of the proceeds of the letters of credit or (ii) for Lender to become the transferee beneficiary of the letters of credit, together with, in each case, any such other actions as reasonably requested by Lender to perfect its second priority Lien (subject only to the Lien in favor of Senior Lender) in such Letter of Credit Rights. The applicable Debtor shall retain the proceeds of the applicable letters of credit until an Event of Default has occurred and is continuing, whereupon, subject to the terms of the Subordination Agreement, the proceeds are to be delivered to Lender and applied as set forth in the Credit Agreement or other Loan Documents.

(d) **Commercial Tort Claims.** If Debtors, now or at any time hereafter, collectively hold or acquire any Commercial Tort Claims, the reasonably estimated value of which are in the aggregate in excess of \$25,000, the applicable Debtors shall immediately notify Lender in a writing signed by such Debtors of the particulars thereof and grant to Lender in such writing, subject to the terms of the Subordination Agreement, a security interest therein and in the proceeds thereof, all upon the terms of this Agreement, with such writing to be in form and substance reasonably satisfactory to Lender.

(e) **Pledged Shares.** Subject to the terms of the Subordination Agreement, all certificates or instruments representing or evidencing the Pledged Shares or any Debtor's rights therein shall be delivered to Lender promptly upon Debtor gaining any rights therein, in suitable form for transfer by delivery or accompanied by duly executed stock powers or instruments of transfer or assignments in blank, all in form and substance reasonably acceptable to Lender.

(f) **Equipment and Inventory.**

(i) **Location.** Each Debtor shall keep the Equipment (other than Vehicles) and Inventory (other than Inventory in transit) which is in such Debtor's possession or in the possession of any bailee or warehouseman at any of the locations specified on *Schedule 3.3(a)* attached hereto or as otherwise disclosed in writing to Lender from time to time, subject to compliance with the other provisions of this Agreement, including subsection (ii) below.

(ii) **Landlord Consents and Bailee's Waivers.** Each Debtor shall provide, as applicable, a bailee's waiver or landlord consent, in form and substance acceptable to Lender, for each non-Debtor owned location of Collateral (including without limit the locations disclosed on *Schedule 3.3(a)* or otherwise disclosed to Lender in writing), promptly after leasing such location, and shall take all other actions required by Lender to perfect Lender's security interest in the Equipment and Inventory with the priority required by this Agreement.

(iii) **Maintenance.** Each Debtor shall maintain the Equipment and Inventory in such condition as may be specified by the terms of the Credit Agreement or other Loan Documents.

(g) **Intellectual Property.**

(i) **Trademarks.** Each Debtor agrees to take all necessary steps, including, without limitation, in the United States Patent and Trademark Office or in any court, to (x) defend, enforce, preserve the validity and ownership of, and maintain each Trademark registration and each Trademark License identified on *Schedule 1.1* hereto, and (y) pursue each Trademark application now or hereafter identified on *Schedule 1.1* hereto, including, without limitation, the filing of responses to office actions issued by the United States Patent and Trademark Office, the filing of applications for renewal, the filing of affidavits under Sections 8 and 15 of the United States Trademark Act, and the participation in opposition, cancellation, infringement and misappropriation proceedings, except, in each case in which the Debtors have determined, using their commercially reasonable judgment, that any of the foregoing is not of material economic value to them. Each Debtor agrees to take corresponding steps with respect to each new or acquired Trademark registration, Trademark application or any rights obtained under any Trademark License, in each case, which it is now or later becomes entitled, except in each case in which such Debtor has determined, using its commercially reasonable judgment, that any of the foregoing is not of material economic value to it. Any expenses incurred in connection with such activities shall be borne by the Debtors.

(ii) **Patents.** Each Debtor agrees to take all necessary steps, including, without limitation, in the United States Patent and Trademark Office or in any court, to (x) defend, enforce, preserve the validity and ownership of, and maintain each Patent and each Patent License identified on *Schedule 1.1* hereto, and (y) pursue each patent application, now or hereafter identified on *Schedule 1.1* hereto, including, without limitation, the filing of divisional, continuation, continuation-in-part and substitute applications, the filing of applications for reissue, renewal or extensions, the payment of maintenance fees, and the participation in interference, reexamination, opposition, infringement and misappropriation proceedings, except in each case in which the Debtors have determined, using their commercially reasonable judgment, that any of the foregoing is not of material economic value to them. Each Debtor agrees to take corresponding steps with respect to each new or acquired Patent, Patent application, or any rights obtained under any Patent License, in each case, which it is now or later becomes entitled, except in each case in which the Debtors have determined, using their commercially reasonable judgment, that any of the foregoing is not of material economic value to them. Any expenses incurred in connection with such activities shall be borne by the Debtors.

- (iii) **Copyrights.** Each Debtor agrees to take all necessary steps, including, without limitation, in the United States Copyright Office or in any court, to (x) defend, enforce, and preserve the validity and ownership of each Copyright and each Copyright License identified on *Schedule 1.1* hereto, and (y) pursue each Copyright and mask work application, now or hereafter identified on *Schedule 1.1* hereto, including, without limitation, the payment of applicable fees, and the participation in infringement and misappropriation proceedings, except in each case in which the Debtors have determined, using their commercially reasonable judgment, that any of the foregoing is not of material economic value to them. Each Debtor agrees to take corresponding steps with respect to each new or acquired Copyright, Copyright and mask work application, or any rights obtained under any Copyright License, in each case, which it is now or later becomes entitled, except in each case in which the Debtors have determined, using their commercially reasonable judgment, that any of the foregoing is not of material economic value to them. Any expenses incurred in connection with such activities shall be borne by the Debtors.
- (iv) **No Abandonment.** The Debtors shall not abandon any Intellectual Property Collateral without the written consent of Lender, unless the Debtors shall have previously determined, using their commercially reasonable judgment, that such use or the pursuit or maintenance of such Intellectual Property Collateral is not of material economic value to it, in which case, the Debtors shall give notice of any such abandonment to Lender promptly in writing after the determination to abandon such Intellectual Property Collateral is made.
- (v) **No Infringement.** In the event that a Debtor becomes aware that any item of the Intellectual Property Collateral which such Debtor has determined, using its commercially reasonable judgment, to be material to its business is infringed or misappropriated by a third party, such Debtor shall notify Lender promptly and in writing, in reasonable detail, and shall take such actions as such Debtor or Lender deems reasonably appropriate under the circumstances, subject to the terms of the Subordination Agreement, to protect such Intellectual Property Collateral, including, without limitation, suing for infringement or misappropriation and for an injunction against such infringement or misappropriation. Any expense incurred in connection with such activities shall be borne by the Debtors. Each Debtor will advise Lender promptly and in writing, in reasonable detail, of any adverse determination or the institution of any proceeding (including, without limitation, the institution of any proceeding in the United States Patent and Trademark Office, the United States Copyright Office or any court) regarding any material item of the Intellectual Property Collateral.
- (h) **Accounts and Contracts.** Each Debtor shall, in accordance with its usual business practices in effect from time to time, endeavor to collect or cause to be collected from each Account Debtor under its Accounts, as and when due, any

and all amounts owing under such Accounts. So long as no Default or Event of Default has occurred and is continuing and except as otherwise provided in **Section 6.4**, each Debtor shall have the right to collect and receive payments on its Accounts, and to use and expend the same in its operations in each case in compliance with the terms of the Credit Agreement and other Loan Documents.

- (i) **Vehicles; Aircraft and Vessels.** Notwithstanding any other provision of this Agreement, no Debtor shall be required to make any filings as may be necessary to perfect Lender's Lien on its Vehicles, aircraft and vessels, unless required by Lender in its sole discretion.
- (j) **Life Insurance Policies.** If any Debtor, now or any time hereafter, is the beneficiary of a "key man life insurance policy", it shall promptly notify Lender thereof, provide Lender with a true and correct list of the Persons insured, the name and address of the insurance company providing the coverage, the amount of such insurance and the policy number, and, unless otherwise waived by Lender in writing, take such actions as Lender may deem necessary or Lender shall deem reasonably desirable, subject to the terms of the Subordination Agreement, to collaterally assign such policy to Lender.
- (k) **Deposit Accounts.** Each Debtor agrees to promptly notify Lender in writing of all Deposit Accounts, cash collateral accounts or investments accounts opened after the date hereof, and such Debtor shall take such actions as may be necessary or deemed desirable by Lender (including the execution and delivery of an account control agreement in form and substance satisfactory to Lender), subject to the terms of the Subordination Agreement, to grant Lender a perfected, second priority Lien (subject only to the Lien of Senior Lender) over each of the Deposit Accounts, cash collateral accounts or investment accounts excluding accounts specifically and exclusively used for payroll, payroll taxes and other employee wage and benefit payments. Notwithstanding anything to the contrary in the foregoing, providing notice or taking any other action shall not waive the occurrence or existence of any Default or Event of Default arising as a result of the establishment or existence of such accounts.

Section 4.2 Encumbrances. Each Debtor shall not create, permit or suffer to exist, and shall defend the Collateral against any Lien (other than Liens in favor of Lender and the Permitted Liens) or any restriction upon the pledge or other transfer thereof (other than as specifically permitted in the Credit Agreement or other Loan Documents), and shall defend such Debtor's title to and other rights in the Collateral and Lender's pledge and collateral assignment of and security interest in the Collateral against the claims and demands of all Persons. Except to the extent permitted by the Credit Agreement or the other Loan Documents, or in connection with any release of Collateral under **Section 7.16** hereof (but only to the extent of any Collateral so released), such Debtor shall do nothing to impair the rights of Lender in the Collateral.

Section 4.3 Disposition of Collateral; Payment of Taxes. (a) Except as otherwise permitted under the Credit Agreement or the other Loan Documents, no Debtor shall enter into or consummate any transfer or other disposition of Collateral.

(b) Each Debtor shall pay when due all Taxes and other governmental charges with respect to such Debtor and/or the Collateral.

Section 4.4 Insurance. The Collateral pledged by such Debtor or the Debtors will be insured (to the extent such Collateral is insurable) with insurance coverage in such amounts and of such types as are required by Lender. In the case of all such insurance policies, each such Debtor shall designate Lender, as mortgagee or lender loss payee and such policies shall provide that any loss be payable to Lender, as mortgagee or lender loss payee, as its interests may appear. Further, upon the reasonable request of Lender, each such Debtor shall deliver certificates evidencing such policies, including all endorsements thereon and those required hereunder, to Lender; and each such Debtor assigns to Lender, as additional security hereunder, all its rights to receive proceeds of insurance with respect to the Collateral. All such insurance shall, by its terms, provide that the applicable carrier shall, prior to any cancellation before the expiration date thereof, mail thirty (30) days' prior written notice to Lender of such cancellation (or ten (10) days' prior written notice to Lender of such cancellation due to the failure to pay premiums). Each Debtor further shall provide Lender upon Lender's request with evidence reasonably satisfactory to Lender that each such Debtor is at all times in compliance with this paragraph. Upon the occurrence and during the continuance of an Event of Default, Lender may, at its option, act as each such Debtor's attorney-in-fact in obtaining, adjusting, settling and compromising such insurance and endorsing any drafts. Upon such Debtor's failure to insure the Collateral as required in this covenant, Lender may, at its option, procure such insurance and its costs therefor shall be charged to such Debtor, payable on demand, with interest at the highest rate set forth in the Credit Agreement or the other Loan Documents and added to the Indebtedness secured hereby. The disposition of proceeds payable to such Debtor of any insurance on the Collateral (the "**Insurance Proceeds**") shall be governed by the following, in each case subject to the terms of the Subordination Agreement:

- (a) provided that no Event of Default has occurred and is continuing hereunder, (i) if the amount of Insurance Proceeds in respect of any loss or casualty does not exceed One Hundred Thousand Dollars (\$100,000), such Debtor shall be entitled, in the event of such loss or casualty, to receive all such Insurance Proceeds and to apply the same toward the replacement of the Collateral affected thereby or to the purchase of other assets to be used in such Debtor's business (provided that such assets shall be subjected to a second priority Lien in favor of Lender (subject only to the Lien in favor of Senior Lender) and such repurchase of assets shall occur within 90 days of such Debtor receiving the Insurance Proceeds); and (ii) if the amount of Insurance Proceeds in respect of any loss or casualty exceeds One Hundred Thousand Dollars (\$100,000), such Insurance Proceeds shall be paid to and received by Lender, for release to such Debtor for the replacement of the Collateral affected thereby or to the purchase of other assets to be used in such Debtor's business (provided that such assets shall be subjected to a second priority Lien (subject only to the Lien in favor of Senior Lender) in favor of Lender); or, upon written request of such Debtor (accompanied by reasonable supporting documentation), for such other use or purpose as approved by Lender, in its reasonable discretion, it being understood and agreed in connection with any release of funds under this subparagraph (ii), that Lender may impose reasonable and customary conditions on the disbursement of such Insurance Proceeds; and

- (b) if an Event of Default has occurred and is continuing and is not waived as provided in the Credit Agreement or other Loan Documents, all Insurance Proceeds in respect of any loss or casualty shall be paid to and received by Lender, to be applied by Lender against the Indebtedness in the manner specified in the Credit Agreement or other Loan Documents and/or to be held by Lender as cash collateral for the Indebtedness, as Lender may direct in its sole discretion.

Section 4.5 Corporate Changes; Books and Records; Inspection Rights. Each Debtor shall (a) not change its respective name, identity, corporate or other organizational structure or jurisdiction of organization, or identification number in any manner that might make any financing statement filed in connection with this Agreement seriously misleading within the meaning of Section 9-506 of the UCC unless such Debtor shall have given Lender thirty (30) days prior written notice with respect to any change in such Debtor's corporate or other organizational structure, jurisdiction of organization, name or identity and shall have taken all action deemed reasonably necessary by Lender under the circumstances to protect its Liens and the perfection and priority thereof, (b) keep the Records at the location specified on *Schedule 3.2* as the location of such books and records or as otherwise specified in writing to Lender and (c) permit Lender and its agents and representatives to enter upon all premises where Collateral is located or kept and conduct inspections, discussion, appraisals and audits of the Collateral in accordance with the terms of the Credit Agreement or other Loan Documents.

Section 4.6 Notification of Lien; Continuing Disclosure. Each Debtor shall promptly notify Lender in writing of any Lien, encumbrance or claim (other than a Permitted Lien, to the extent not otherwise subject to any notice requirements under the Credit Agreement or other Loan Documents) that has attached to or been made or asserted against any of the Collateral upon becoming aware of the existence of such Lien, encumbrance or claim.

Section 4.7 Covenants Regarding Pledged Shares.

(a) **Voting Rights and Distributions.**

- (i) So long as no Event of Default shall have occurred and be continuing (both before and after giving effect to any of the actions or other matters described in clauses (A) or (B) of this subparagraph):
- (A) Each Debtor shall be entitled to exercise any and all voting and other consensual rights (including, without limitation, the right to give consents, waivers and ratifications) pertaining to any of the Pledged Shares or any part thereof; *provided, however*, that no vote shall be cast or consent, waiver or ratification given or action taken without the prior written consent of Lender which would violate any provision of this Agreement, the Credit Agreement or other Loan Documents; and
- (B) Except as otherwise provided by the Credit Agreement or other Loan Documents, such Debtor shall be entitled to receive and

retain any and all dividends, distributions and interest paid in respect to any of the Pledged Shares.

- (ii) Upon the occurrence and during the continuance of an Event of Default, in each case subject to the terms of the Subordination Agreement:
 - (A) Lender may, without notice to such Debtor, transfer or register in the name of Lender or any of its nominees, any or all of the Pledged Shares and the Proceeds thereof (in cash or otherwise) held by Lender hereunder, and Lender or its nominee may thereafter, after delivery of notice to such Debtor, exercise all voting and corporate rights at any meeting of any corporation issuing any of the Pledged Shares and any and all rights of conversion, exchange, subscription or any other rights, privileges or options pertaining to any of the Pledged Shares as if Lender were the absolute owner thereof, including, without limitation, the right to exchange, at its discretion, any and all of the Pledged Shares upon the merger, consolidation, reorganization, recapitalization or other readjustment of any corporation issuing any of such Pledged Shares or upon the exercise by any such issuer or Lender of any right, privilege or option pertaining to any of the Pledged Shares, and in connection therewith, to deposit and deliver any and all of the Pledged Shares with any committee, depository, transfer agent, registrar or other designated agency upon such terms and conditions as Lender may determine, all without liability except to account for property actually received by it, but Lender shall have no duty to exercise any of the aforesaid rights, privileges or options, and Lender shall not be responsible for any failure to do so or delay in so doing.
 - (B) All rights of such Debtor to exercise the voting and other consensual rights which it would otherwise be entitled to exercise pursuant to **Section 4.7(a)(i)(A)** and to receive the dividends, interest and other distributions which it would otherwise be authorized to receive and retain pursuant to **Section 4.7(a)(i)(B)** shall be suspended until such Event of Default shall no longer exist, and all such rights shall, until such Event of Default shall no longer exist, thereupon become vested in Lender which shall thereupon have the sole right to exercise such voting and other consensual rights and to receive, hold and dispose of as Pledged Shares such dividends, interest and other distributions.
 - (C) All dividends, interest and other distributions which are received by such Debtor contrary to the provisions of this **Section 4.7(a)(ii)** shall be received in trust for the benefit of Lender, shall be segregated from other funds of such Debtor and shall be forthwith

paid over to Lender as Collateral in the same form as so received (with any necessary endorsement).

- (D) Each Debtor shall execute and deliver (or cause to be executed and delivered) to Lender all such proxies and other instruments as Lender may reasonably request for the purpose of enabling Lender to exercise the voting and other rights which it is entitled to exercise pursuant to this **Section 4.7(a)(ii)** and to receive the dividends, interest and other distributions which it is entitled to receive and retain pursuant to this **Section 4.7(a)(ii)**. The foregoing shall not in any way limit Lender's power and authority granted pursuant to the other provisions of this Agreement.

(b) **Possession; Reasonable Care.** Regardless of whether a Default or an Event of Default has occurred or is continuing, Lender shall have the right, subject to the terms of the Subordination Agreement, to hold in its possession all Pledged Shares pledged, assigned or transferred hereunder and from time to time constituting a portion of the Collateral. Subject to the terms of the Subordination Agreement, Lender may appoint one or more agents (which in no case shall be a Debtor or an affiliate of a Debtor) to hold physical custody, for the account of Lender, of any or all such Collateral. Lender shall be deemed to have exercised reasonable care in the custody and preservation of the Pledged Shares in its possession if such Collateral is accorded treatment substantially equal to that which Lender accords its own property, it being understood that Lender shall not have any responsibility for (i) ascertaining or taking action with respect to calls, conversions, exchanges, maturities, tenders or other matters relative to any such Collateral, whether or not Lender has or is deemed to have knowledge of such matters, or (ii) taking any necessary steps to preserve rights against any parties with respect to any such Collateral. Following the occurrence and continuance of an Event of Default, Lender shall be entitled, subject to the terms of the Subordination Agreement, to take ownership of the Pledged Shares in accordance with the UCC.

Section 4.8 New Subsidiaries; Additional Collateral.

- (a) With respect to each Person which becomes a Subsidiary of a Debtor subsequent to the date hereof, such Debtor shall cause such Subsidiary to execute and deliver a Joinder Agreement in the form of **Exhibit B** hereto or security agreements or other documents as are required by the Credit Agreement or other Loan Documents, within the time periods set forth therein.
- (b) Each Debtor agrees that, (i) except with the written consent of Lender, it will not permit any domestic Subsidiary (whether now existing or formed after the date hereof) to issue to such Debtor or any of such Debtor's other Subsidiaries any Equity Interests, notes or other securities or instruments (including without limitation the Pledged Shares) in addition to or in substitution for any of the Collateral, unless, concurrently with each issuance thereof, any and all such Equity Interests, notes or other securities or instruments are encumbered in favor of Lender under this Agreement or otherwise (it being understood and agreed that all such Equity Interests, notes or other securities or instruments issued to such

Debtor shall, without further action by such Debtor or Lender, be automatically encumbered by this Agreement as Pledged Shares) and (ii) it will promptly following the issuance thereof deliver to Lender, subject to the terms of the Subordination Agreement, (A) an amendment, duly executed by such Debtor, in substantially the form of *Exhibit A* hereto in respect of such Equity Interests, notes or other securities or instruments issued to Debtor or (B) if reasonably required by Lender, a new stock pledge, duly executed by the applicable Debtor, in substantially the form of this Agreement (a "**New Pledge**"), in respect of such Equity Interests, notes or other securities or instruments issued to any Debtor granting to Lender, a second priority security interest, pledge and Lien (subject only to the Lien of Senior Lender) thereon, together in each case with all certificates, notes or other instruments representing or evidencing the same, together with such other documentation as Lender may reasonably request. Such Debtor hereby (x) authorizes Lender to attach each such amendment to this Agreement, (y) agrees that all such Equity Interests, notes or other securities or instruments listed in any such amendment delivered to Lender shall for all purposes hereunder constitute Pledged Shares, and (z) is deemed to have made, upon the delivery of each such amendment, the representations and warranties contained in **Section 3.4** of this Agreement with respect to the Collateral covered thereby.

- (c) With respect to any Intellectual Property Collateral owned, licensed or otherwise acquired by any Debtor after the date hereof, and with respect to any Patent, Trademark or Copyright which is not registered or filed with the U.S. Patent and Trademark Office and/or the U.S. Copyright Office at the time such Collateral is pledged by a Debtor to Lender pursuant to this Agreement, and which is subsequently registered or filed by such Debtor in the appropriate office, such Debtor shall promptly after the acquisition or registration thereof execute or cause to be executed and delivered to Lender, subject to the terms of the Subordination Agreement, (i) an amendment, duly executed by such Debtor, in substantially the form of *Exhibit A* hereto, in respect of such additional or newly registered collateral or (ii) at Lender's option, a new security agreement, duly executed by the applicable Debtor, in substantially the form of this Agreement, in respect of such additional or newly registered collateral, granting to Lender, a second priority security interest, pledge and Lien thereon (subject only to the Lien in favor of Senior Lender), and shall, upon Lender's request, execute or cause to be executed any financing statement or other document (including without limitation, filings required by the U.S. Patent and Trademark Office and/or the U.S. Copyright Office in connection with any such additional or newly registered collateral) granting or otherwise evidencing a Lien over such new Intellectual Property Collateral. Each Debtor hereby (x) authorizes Lender to attach each amendment to this Agreement, (y) agrees that all such additional collateral listed in any amendment delivered to Lender shall for all purposes hereunder constitute Intellectual Property Collateral, and (z) is deemed to have made, upon the delivery of each such Amendment, the representations and warranties contained in **Section 3.3(d)** and **Section 3.5** of this Agreement with respect to the Collateral covered thereby.

Section 4.9 Further Assurances (a) At any time and from time to time, upon the request of Lender and in each case subject to the terms of the Subordination Agreement, each Debtor shall, at the sole expense of the Debtors, promptly execute and deliver all such further agreements, documents and instruments and take such further action as Lender may reasonably deem necessary or appropriate to (i) preserve, ensure the priority, effectiveness and validity of and perfect Lender's security interest in and pledge and collateral assignment of the Collateral (including causing Lender's name to be noted as secured party on any certificate of title for a titled good if such notation is a condition of Lender's ability to enforce its security interest in such Collateral), unless such actions are specifically waived under the terms of this Agreement and the other Loan Documents, (ii) carry out the provisions and purposes of this Agreement and (iii) to enable Lender to exercise and enforce its rights and remedies hereunder with respect to any of the Collateral. Except as otherwise expressly permitted by the terms of the Credit Agreement relating to disposition of assets and except for Permitted Liens, each Debtor agrees to maintain and preserve Lender's security interest in and pledge and collateral assignment of the Collateral hereunder and the priority thereof.

(b) Each Debtor hereby irrevocably authorizes Lender at any time and from time to time to file in any filing office in any jurisdiction any initial financing statements and amendments thereto that (i) indicate any or all of the Collateral upon which the Debtors have granted a Lien, and (ii) provide any other information required by Part 5 of Article 9 of the UCC, including organizational information and in the case of a fixture filing or a filing for Collateral consisting of as-extracted collateral or timber to be cut, a sufficient description of real property to which the Collateral relates. Such financing statements may describe the Collateral in the same manner as described herein or may contain an indication or description of collateral that describes such property in any other manner as Lender may determine, in its sole discretion, is necessary, advisable or prudent to ensure the perfection of the security interest in the Collateral granted to Lender herein, including describing such property as "all assets" or "all personal property, whether now owned or hereafter acquired" or words of similar import. Each Debtor agrees to furnish any such information required by this paragraph to Lender promptly upon request.

Section 4.10 Anti-Terrorism Laws. No Debtor shall, at any time, (a) directly or through its Affiliates and agents, conduct any business or engage in any transaction or dealing with any Blocked Person, including the making or receiving of any contribution of funds, goods or services to or for the benefit of any Blocked Person, (b) directly or through its Affiliates and agents, deal in, or otherwise engage in any transaction relating to, any property or interests in property blocked pursuant to the Executive Order No. 13224; (c) directly or through its Affiliates and agents, engage in or conspire to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in any Anti-Terrorism Law; or (d) fail to deliver to Lender any certification or other evidence requested from time to time by Lender in its sole discretion, confirming the compliance of each Debtor with this section.

Section 4.11 Environmental Compliance. Each Debtor shall:

- (a) Use and operate all of its facilities and properties in compliance with all Environmental Laws, keep all necessary permits, approvals, certificates, licenses

and other authorizations under Environmental Laws in effect and remain in compliance therewith, and handle all Hazardous Materials in compliance with all applicable Environmental Laws except where the failure to do so could not reasonably be expected to have a Material Adverse Effect;

- (b) Promptly notify Lender and provide copies upon receipt of all written claims, complaints, notices or inquiries received by such Debtor of a material nature relating to its facilities and properties or compliance with Environmental Laws, and shall promptly cure all violations of or noncompliance with all Environmental Laws to the extent that such violations could reasonably be likely to have a Material Adverse Effect and shall diligently undertake to have dismissed with prejudice to the satisfaction of Lender any actions and proceedings relating to compliance with Environmental Laws to which such Debtor is named a party, other than such actions or proceedings being contested in good faith and with the establishment of a reasonable reserve;
- (c) To the extent necessary to materially comply with Environmental Laws, remediate or monitor contamination arising from a release or disposal of Hazardous Material; and
- (d) Provide such information and certifications which Lender may reasonably request from time to time to evidence compliance with this **Section 4.11**.

ARTICLE 5 **Rights of Lender**

Section 5.1 Power of Attorney. Subject to the terms of the Subordination Agreement, each Debtor hereby irrevocably constitutes and appoints Lender and any officer or agent thereof, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the name of such Debtor or in its own name, to take, after the occurrence and during the continuance of an Event of Default, any and all actions, and to execute any and all documents and instruments which Lender at any time and from time to time deems necessary, to accomplish the purposes of this Agreement and, without limiting the generality of the foregoing, such Debtor hereby gives Lender the power and right on behalf of such Debtor and in its own name to do any of the following after the occurrence and during the continuance of an Event of Default, without notice to or the consent of such Debtor:

- (a) to demand, sue for, collect or receive, in the name of such Debtor or in its own name, any money or property at any time payable or receivable on account of or in exchange for any of the Collateral and, in connection therewith, endorse checks, notes, drafts, acceptances, money orders, documents of title or any other instruments for the payment of money under the Collateral or any policy of insurance;
- (b) to pay or discharge Taxes, Liens (other than Permitted Liens) or other encumbrances levied or placed on or threatened against the Collateral;

- (c) (i) to direct Account Debtors and any other parties liable for any payment under any of the Collateral to make payment of any and all monies due and to become due thereunder directly to Lender or as Lender shall direct; (ii) to receive payment of and receipt for any and all monies, claims and other amounts due and to become due at any time in respect of or arising out of any Collateral; (iii) to sign and endorse any invoices, freight or express bills, bills of lading, storage or warehouse receipts, drafts against debtors, assignments, proxies, stock powers, verifications and notices in connection with accounts and other documents relating to the Collateral; (iv) to commence and prosecute any suit, action or proceeding at law or in equity in any court of competent jurisdiction to collect the Collateral or any part thereof and to enforce any other right in respect of any Collateral; (v) to defend any suit, action or proceeding brought against such Debtor with respect to any Collateral; (vi) to settle, compromise or adjust any suit, action or proceeding described above and, in connection therewith, to give such discharges or releases as Lender may deem appropriate; (vii) to exchange any of the Collateral for other property upon any merger, consolidation, reorganization, recapitalization or other readjustment of the issuer thereof and, in connection therewith, deposit any of the Collateral with any committee, depository, transfer agent, registrar or other designated agency upon such terms as Lender may determine; (viii) to add or release any guarantor, indorser, surety or other party to any of the Collateral; (ix) to renew, extend or otherwise change the terms and conditions of any of the Collateral; (x) to make, settle, compromise or adjust any claim under or pertaining to any of the Collateral (including claims under any policy of insurance); (xi) subject to any pre-existing rights or licenses, to assign any Patent, Copyright or Trademark constituting Intellectual Property Collateral (along with the goodwill of the business to which any such Patent, Copyright or Trademark pertains), for such term or terms, on such conditions and in such manner, as Lender shall in its sole discretion determine, and (xii) to sell, transfer, pledge, convey, make any agreement with respect to, or otherwise deal with, any of the Collateral as fully and completely as though Lender were the absolute owner thereof for all purposes, and to do, at Lender's option and such Debtor's expense, at any time, or from time to time, all acts and things which Lender deems necessary to protect, preserve, maintain, or realize upon the Collateral and Lender's security interest therein.

This power of attorney is a power coupled with an interest and shall be irrevocable. Lender shall be under no duty to exercise or withhold the exercise of any of the rights, powers, privileges and options expressly or implicitly granted to Lender in this Agreement, and shall not be liable for any failure to do so or any delay in doing so. This power of attorney is conferred on Lender solely to protect, preserve, maintain and realize upon its security interest in the Collateral. Lender shall not be responsible for any decline in the value of the Collateral and shall not be required to take any steps to preserve rights against prior parties or to protect, preserve or maintain any Lien given to secure the Collateral.

Section 5.2 Setoff. In addition to and not in limitation of any rights of Lender under applicable law, Lender shall, upon the occurrence and continuance of an Event of Default, without notice or demand of any kind, have the right to appropriate and apply to the payment of

the Indebtedness owing to it (whether or not then due) any and all balances, credits, deposits, accounts or moneys of Debtors then or thereafter on deposit with Lender; *provided, however*, that any such amount so applied by any Lender on any of the Indebtedness owing to it shall be subject to the provisions of the Credit Agreement and other Loan Documents.

Section 5.3 Assignment by Lender. Lender may at any time assign or otherwise transfer all or any portion of its rights and obligations as Lender under this Agreement and the other Loan Documents (including, without limitation, the Indebtedness) to any other Person, to the extent permitted by, and upon the conditions contained in, the Credit Agreement and other Loan Document and such Person shall thereupon become vested with all the benefits and obligations thereof granted to Lender herein or otherwise.

Section 5.4 Performance by Lender. If any Debtor shall fail to perform any covenant or agreement contained in this Agreement, Lender may (but shall not be obligated to), subject to the terms of the Subordination Agreement, perform or attempt to perform such covenant or agreement on behalf of the Debtors, in which case Lender shall exercise good faith and make diligent efforts to give Debtors prompt prior written notice of such performance or attempted performance. In such event, the Debtors shall, at the request of Lender, promptly pay any reasonable amount expended by Lender in connection with such performance or attempted performance to Lender, together with interest at the highest per annum rate of interest applicable to the Indebtedness, from and including the date of such expenditure to but excluding the date such expenditure is paid in full and such amounts expended by Lender shall be added to the Indebtedness. Notwithstanding the foregoing, it is expressly agreed that Lender shall not have any liability or responsibility for the performance (or non-performance) of any obligation of the Debtors under this Agreement.

Section 5.5 Certain Costs and Expenses. The Debtors shall pay or reimburse Lender within five (5) Business Days after demand for all reasonable costs and expenses (including reasonable attorneys' and paralegal fees and expenses) incurred by it in connection with the enforcement, attempted enforcement, or preservation of any rights or remedies under this Agreement, the Credit Agreement or any other Loan Document during the existence of an Event of Default or after acceleration of any of the Indebtedness (including in connection with any "workout" or restructuring regarding the Indebtedness, and including in any insolvency proceeding or appellate proceeding). The agreements in this **Section 5.5** shall survive the payment in full of the Indebtedness and the termination of this Agreement, the Credit Agreement and/or the Loan Documents in connection with any payoff of the Indebtedness.

Section 5.6 Indemnification. The Debtors shall indemnify, defend and hold Lender, its Affiliates, and each of their respective officers, directors, employees, counsel, agents and attorneys-in-fact (each, an "**Indemnified Person**") harmless from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, charges, expenses and disbursements (including reasonable attorneys' and paralegals' fees and expenses) of any kind or nature whatsoever which may at any time (including at any time following repayment of the Indebtedness and the termination, resignation or replacement of Lender) be imposed on, incurred by or asserted against any such Indemnified Person in any way relating to or arising out of this Agreement or any other Loan Document or any document relating to or arising out of or referred to in this Agreement or any other Loan Document, or the transactions

contemplated hereby, or any action taken or omitted by any such Indemnified Person under or in connection with any of the foregoing, including with respect to any investigation, litigation or proceeding (including any bankruptcy proceeding or appellate proceeding) related to or arising out of this Agreement or the Indebtedness or the use of the proceeds thereof, whether or not any Indemnified Person is a party thereto (all the foregoing, collectively, the “**Indemnified Liabilities**”); *provided* that the Debtors shall have no obligation under this **Section 5.6** to any Indemnified Person with respect to Indemnified Liabilities to the extent resulting from the gross negligence or willful misconduct of such Indemnified Person. The agreements in this **Section 5.6** shall survive payment of all other Indebtedness and the termination of this Agreement, the Credit Agreement and/or the Loan Documents in connection with any payoff of the Indebtedness.

ARTICLE 6

Default

Section 6.1 Events of Default. The occurrence of any of the following shall constitute an event of default (each an “**Event of Default**”) under this Agreement:

- (a) the occurrence of any Event of Default under and as defined in the Credit Agreement or any other Loan Document;
- (b) any material loss, theft, damage or destruction to or of any Collateral, or the issuance or filing of any attachment, levy, garnishment or the commencement of any proceeding in connection with any Collateral or of any other judicial process of, upon or in respect of Borrower, any Debtor, any Guarantor, or any Collateral which such proceeding or judicial process shall not have been dismissed within thirty (30) days of commencement,
- (c) there shall occur any sale or other disposition by any Borrower, any Debtor or any Guarantor of any substantial portion of its assets or property or voluntary suspension of the transaction of business by any Borrower, any Debtor or any Guarantor, or
- (d) Lender deems the margin of Collateral insufficient or itself insecure, in good faith reasonably believing that the prospect of payment of the Indebtedness or performance of this Agreement is impaired or shall fear deterioration, removal, or waste of Collateral.

Section 6.2 Rights and Remedies. If an Event of Default shall have occurred and be continuing, Lender shall have the following rights and remedies, all subject to the terms of the Subordination Agreement:

- (a) Lender may exercise any of the rights and remedies set forth in this Agreement (including, without limitation, **Article 5** hereof), in the Credit Agreement, or in any other Loan Document, or by applicable law.
- (b) In addition to all other rights and remedies granted to Lender in this Agreement, the Credit Agreement, the other Loan Documents, or by applicable law, Lender

shall have all of the rights and remedies of a secured party under the UCC (whether or not the UCC applies to the affected Collateral) and Lender may also, without previous demand or notice except as specified below or in the Credit Agreement or the other Loan Documents, sell the Collateral or any part thereof in one or more parcels at public or private sale, at any exchange, broker's board or at any of Lender's offices or elsewhere, for cash, on credit or for future delivery, and upon such other terms as Lender may, in its reasonable discretion, deem commercially reasonable or otherwise as may be permitted by law. Without limiting the generality of the foregoing, Lender may (personally or by agents, attorneys or appointment of a receiver) (i) without demand or notice to the Debtors (except as required under the Credit Agreement, the Loan Documents or applicable law), collect, receive or take possession of the Collateral or any part thereof, and for that purpose Lender (and/or its agents, servicers or other independent contractors) may enter upon any premises on which the Collateral is located and remove the Collateral therefrom or render it inoperable, and/or (ii) sell, lease or otherwise dispose of the Collateral, or any part thereof, in one or more parcels at public or private sale or sales, at Lender's offices or elsewhere, for cash, on credit or for future delivery, and upon such other terms as Lender may, in its reasonable discretion, deem commercially reasonable or otherwise as may be permitted by law. Lender shall have the right at any public sale or sales, and, to the extent permitted by applicable law, at any private sale or sales, to bid (which bid may be, in whole or in part, in the form of cancellation of indebtedness) and become a purchaser of the Collateral or any part thereof free of any right of redemption on the part of the Debtors, which right of redemption is hereby expressly waived and released by the Debtors to the extent permitted by applicable law. Lender may require the Debtors to assemble the Collateral and make it available to Lender at any place designated by Lender that is reasonably convenient to all parties to allow Lender to take possession or dispose of such Collateral. The Debtors agree that Lender shall not be obligated to give more than ten (10) days' prior written notice of the time and place of any public sale or of the time after which any private sale may take place and that such notice shall constitute reasonable notice of such matters. The foregoing shall not require notice if none is required by applicable law. Lender shall not be obligated to make any sale of Collateral if, in the exercise of its reasonable discretion, it shall determine not to do so, regardless of the fact that notice of sale of Collateral may have been given. Lender may, without notice or publication (except as required by applicable law), adjourn any public or private sale or cause the same to be adjourned from time to time by announcement at the time and place fixed for sale, and such sale may, without further notice, be made at the time and place to which the same was so adjourned. The Debtors shall be liable for all reasonable expenses of retaking, holding, preparing for sale or the like, and all reasonable attorneys' fees, legal expenses and other costs and expenses incurred by Lender in connection with the collection of the Indebtedness and the enforcement of Lender's rights under this Agreement, the Credit Agreement and the Loan Documents. The Debtors shall, to the extent permitted by applicable law, remain liable for any deficiency if the proceeds of any such sale or other disposition of

the Collateral (conducted in conformity with this clause (b) and applicable law) applied to the Indebtedness are insufficient to pay the Indebtedness in full. Subject to the terms of the Subordination Agreement, Lender shall apply the proceeds from the sale of the Collateral hereunder against the Indebtedness in such order and manner as provided in the Credit Agreement and the Loan Documents.

- (c) Lender may cause any or all of the Collateral held by it to be transferred into the name of Lender or the name or names of Lender's nominee or nominees.
- (d) Lender may exercise any and all rights and remedies of the Debtors under or in respect of the Collateral, including, without limitation, any and all rights of the Debtors to demand or otherwise require payment of any amount under, or performance of any provision of, any of the Collateral and any and all voting rights and corporate powers in respect of the Collateral.
- (e) On any sale of the Collateral, Lender is hereby authorized to comply with any limitation or restriction with which compliance is necessary (based on a reasoned opinion of Lender's counsel) in order to avoid any violation of applicable law or in order to obtain any required approval of the purchaser or purchasers by any applicable Governmental Authority.
- (f) Lender may direct Account Debtors and any other parties liable for any payment under any of the Collateral to make payment of any and all monies due and to become due thereunder directly to Lender or as Lender shall direct.
- (g) In the event of any sale, assignment or other disposition of the Intellectual Property Collateral, the goodwill of the business connected with and symbolized by any Collateral subject to such disposition shall be included, and the Debtors shall supply to Lender or its designee the Debtors' know-how and expertise related to the Intellectual Property Collateral subject to such disposition, and the Debtors' notebooks, studies, reports, records, documents and things embodying the same or relating to the inventions, processes or ideas covered by and to the manufacture of any products under or in connection with the Intellectual Property Collateral subject to such disposition.
- (h) For purposes of enabling Lender to exercise its rights and remedies under the Loan Documents (including this **Section 6.2**) and enabling Lender and its successors and assigns to enjoy the full benefits of the Collateral, the Debtors hereby grant to Lender an irrevocable, nonexclusive license (exercisable without payment of royalty or other compensation to the Debtors) to use, assign, license or sublicense any of the Intellectual Property Collateral, Computer Records or Software (including in such license reasonable access to all media in which any of the licensed items may be recorded or stored and all computer programs used for the completion or printout thereof), exercisable upon the occurrence and during the continuance of an Event of Default (and thereafter if Lender succeeds to any of the Collateral pursuant to an enforcement proceeding or voluntary arrangement

with Debtor), except as may be prohibited by any licensing agreement relating to such Computer Records or Software. This license shall also inure to the benefit of all successors, assigns, transferees of and purchasers from Lender.

Section 6.3 Private Sales.

- (a) In view of the fact that applicable securities laws may impose certain restrictions on the method by which a sale of the Pledged Shares may be effected after an Event of Default, Debtors agree that upon the occurrence and during the continuance of an Event of Default, Lender may, subject to the terms of the Subordination Agreement, from time to time attempt to sell all or any part of the Pledged Shares by a private sale in the nature of a private placement, restricting the bidders and prospective purchasers to those who will represent and agree that they are “accredited investors” within the meaning of Regulation D promulgated pursuant to the Securities Act of 1933, as amended (the “**Securities Act**”), and are purchasing for investment only and not for distribution. In so doing, Lender may solicit offers for the Pledged Shares, or any part thereof, from a limited number of investors who might be interested in purchasing the Pledged Shares. Without limiting the methods or manner of disposition which could be determined to be commercially reasonable, if Lender hires a firm of regional or national reputation that is engaged in the business of rendering investment banking and brokerage services to solicit such offers and facilitate the sale of the Pledged Shares, then Lender’s acceptance of the highest offer (including its own offer at any such sale) obtained through such efforts of such firm shall be deemed to be a commercially reasonable method of disposition of such Pledged Shares. Lender shall not be under any obligation to delay a sale of any of the Pledged Shares for the period of time necessary to permit the issuer of such securities to register such securities under the laws of any jurisdiction outside the United States, under the Securities Act or under any applicable state securities laws, even if such issuer would agree to do so.
- (b) The Debtors further agree to do or cause to be done, to the extent that the Debtors may do so under applicable law and subject to the terms of the Subordination Agreement, all such other reasonable acts and things as may be necessary to make such sales or resales of any portion or all of the Collateral valid and binding and in compliance with any and all 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 sale or sales, all at the Debtors’ expense.

Section 6.4 Cash and Instruments Received by Lender. Immediately upon the occurrence and during the continuance of an Event of Default, any and all cash (including amounts received by electronic funds transfer), checks, drafts and other instruments for the payment of money received by each Debtor at any time, in full or partial payment of any of the Collateral consisting of Accounts or Inventory, shall forthwith upon receipt be transmitted and delivered to Lender, properly endorsed, where required, so that such items may be collected by Lender. Any such amounts and other items received by a Debtor shall not be commingled with

any other of such Debtor's funds or property, but will be held separate and apart from such Debtor's own funds or property, and upon express trust for the benefit of Lender until delivery is made to Lender. All items or amounts which are remitted to or otherwise delivered by or for the benefit of a Debtor to Lender on account of partial or full payment of, or any other amount payable with respect to, any of the Collateral shall, at Lender's option, be applied to any of the Indebtedness, whether then due or not, in the order and manner set forth in the Credit Agreement.

ARTICLE 7 **Miscellaneous**

Section 7.1 No Waiver; Cumulative Remedies. No failure on the part of Lender to exercise and no delay in exercising, and no course of dealing with respect to, any right, power or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege under this Agreement preclude any other or further exercise thereof or the exercise of any other right, power, or privilege. The rights and remedies provided for in this Agreement are cumulative and not exclusive of any rights and remedies provided by law.

Section 7.2 Successors and Assigns. Subject to the terms and conditions of the Credit Agreement, and the other Loan Documents, this Agreement shall be binding upon and inure to the benefit of the Debtors and Lender and their respective heirs, successors and assigns, except that the Debtors may not assign any of their rights or obligations under this Agreement without the prior written consent of Lender.

Section 7.3 Waiver of Notice. Each Debtor hereby waives notice of non-payment, demand, presentment, protest and notice thereof with respect to any and all instruments, notice of acceptance hereof, notice of loans or advances made, credit extended, 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.

Section 7.4 Delay. No delay or omission on Lender's part in exercising any right, remedy or option shall operate as a waiver of such or any other right, remedy or option or of any Event of Default.

Section 7.5 Attorneys' Fee and Expenses. Each Debtor agrees to pay all costs, expenses (including reasonable attorneys' fees and expenses), and disbursements incurred by Lender on Debtor's behalf (a) in all efforts made to enforce payment of the Indebtedness or effect collection of any Collateral, (b) in connection with entering into, modifying, amending, and enforcing this Agreement or any consents or waivers hereunder and all related agreements, documents and instruments, (c) in maintaining, storing, or preserving any Collateral, or in instituting, enforcing and foreclosing on Lender's security interest in any Collateral or possession of any premises containing any Collateral, whether through judicial proceedings or otherwise, (d) in defending or prosecuting any actions or proceedings arising out of or relating to Lender's transactions with Borrower, or (e) in connection with any advice given to Lender with respect to its rights and obligations under this Agreement and all related agreements. Expenses being reimbursed by each under this section include costs and expenses incurred in connection

with: (i) appraisals and insurance reviews; (ii) environmental examinations and reports; (iii) field examinations and the preparation of reports based thereon; (iv) the fees charged by a third party retained by Lender or the internally allocated fees for each Person employed by Lender with respect to each field examination; (v) background checks regarding senior management and/or key investors, as deemed necessary or appropriate in the sole discretion of Lender; (vi) Taxes, fees and other charges for (A) lien and title searches and title insurance and (B) the recording of any mortgages, filing of any financing statements and continuations, and other actions to perfect, protect, and continue Lender's security interests; (vii) sums paid or incurred to take any action required of Borrower, Debtors, or any of them under the Credit Agreement or other Loan Documents that each Person(s) fail(s) to pay or take; and (viii) forwarding loan proceeds, collecting checks and other items of payment, and costs and expenses of preserving and protecting the Collateral.

Section 7.6 AMENDMENT; ENTIRE AGREEMENT. THIS AGREEMENT AND THE CREDIT AGREEMENT AND THE OTHER LOAN DOCUMENTS EMBODY THE FINAL, ENTIRE AGREEMENT AMONG THE PARTIES HERETO AND SUPERSEDES ANY AND ALL PRIOR COMMITMENTS, AGREEMENTS, REPRESENTATIONS AND UNDERSTANDINGS, WHETHER WRITTEN OR ORAL, RELATING TO THE SUBJECT MATTER HEREOF AND MAY NOT BE CONTRADICTED OR VARIED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OR DISCUSSIONS OF THE PARTIES HERETO. THERE ARE NO UNWRITTEN ORAL AGREEMENTS AMONG THE PARTIES HERETO. The provisions of this Agreement may be amended or waived only by an instrument in writing signed by the parties hereto.

Section 7.7 Notices. All notices, requests, consents, approvals, waivers and other communications hereunder shall be in writing (including, by facsimile transmission) and mailed, faxed or delivered to the address or facsimile number specified for notices on signature pages hereto; or, as directed to the Debtors or Lender, to such other address or number as shall be designated by such party in a written notice to the other. All such notices, requests and communications shall, when sent by overnight delivery, or faxed, be effective when delivered for overnight (next business day) delivery, or transmitted in legible form by facsimile machine (with electronic confirmation of receipt), respectively, or if mailed, upon the third Business Day after the date deposited into the U.S. mail, or if otherwise delivered, upon delivery; except that notices to Lender shall not be effective until actually received by Lender.

Section 7.8 GOVERNING LAW; SUBMISSION TO JURISDICTION; SERVICE OF PROCESS.

- (a) THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF OHIO WITHOUT GIVING EFFECT TO CHOICE OF LAW PRINCIPLES.
- (b) ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT MAY BE BROUGHT IN ANY UNITED STATES FEDERAL COURT SITTING IN THE SOUTHERN DISTRICT OF OHIO OR OHIO STATE COURT SITTING IN HAMILTON COUNTY, OHIO, AND BY EXECUTION AND DELIVERY OF THIS

AGREEMENT, EACH OF THE DEBTORS AND LENDER CONSENTS, FOR ITSELF AND IN RESPECT OF ITS PROPERTY, TO THE NON-EXCLUSIVE JURISDICTION OF THOSE COURTS. EACH OF THE DEBTORS AND LENDER IRREVOCABLY WAIVES ANY OBJECTION, INCLUDING ANY OBJECTION TO THE LAYING OF VENUE OR BASED ON THE GROUNDS OF FORUM NON CONVENIENS, WHICH IT MAY NOW OR HEREAFTER HAVE TO THE BRINGING OF ANY ACTION OR PROCEEDING IN SUCH JURISDICTION IN RESPECT OF THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT.

Section 7.9 Headings. The headings, captions, and arrangements used in this Agreement are for convenience only and shall not affect the interpretation of this Agreement.

Section 7.10 Survival of Representations and Warranties. All representations and warranties made in this Agreement or in any certificate delivered pursuant hereto shall survive the execution and delivery of this Agreement, and no investigation by Lender shall affect the representations and warranties or the right of Lender to rely upon them.

Section 7.11 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

Section 7.12 Waiver of Bond. In the event Lender seeks to take possession of any or all of the Collateral by judicial process, the Debtors hereby irrevocably waive any bonds and any surety or security relating thereto that may be required by applicable law as an incident to such possession, and waives any demand for possession prior to the commencement of any such suit or action.

Section 7.13 Severability. Any provision of this Agreement which is determined by a court of competent jurisdiction to be prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this Agreement, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

Section 7.14 Construction. Each Debtor and Lender acknowledge that each of them has had the benefit of legal counsel of its own choice and has been afforded an opportunity to review this Agreement with its legal counsel and that this Agreement shall be construed as if jointly drafted by the Debtors and Lender.

Section 7.15 Termination. If all of the Indebtedness (other than contingent liabilities pursuant to any indemnity, including without limitation Section 5.5 and Section 5.6 hereof, for claims which have not been asserted, or which have not yet accrued) shall have been indefeasibly paid and performed in full (in cash) and all commitments to extend credit or other credit accommodations under the Credit Agreement or any other Loan Document have been terminated, Lender shall, upon the written request of the Debtors, execute and deliver to the Debtors a proper instrument or instruments acknowledging the release and termination of the

Liens created by this Agreement, and shall duly assign and deliver to the Debtors (without recourse and without any representation or warranty) such of the Collateral as may be in the possession of Lender and has not previously been sold or otherwise applied pursuant to this Agreement.

Section 7.16 Release of Collateral. Lender shall, upon the written request of the Debtors, execute and deliver to the Debtors a proper instrument or instruments acknowledging the release of the security interest and Liens established hereby on any Collateral if the sale or other disposition of such Collateral is permitted under the terms of the Credit Agreement or the other Loan Documents and, at the time of such proposed release, both before and after giving effect thereto, no Default or Event of Default has occurred and is continuing.

Section 7.17 Consistent Application. The rights and duties created by this Agreement shall, in all cases, be interpreted consistently with, and shall be in addition to (and not in lieu of), the rights and duties created by the Credit Agreement or the other Loan Documents. In the event that any provision of this Agreement shall be inconsistent with any provision of the Credit Agreement, such provision of the Credit Agreement shall govern.

Section 7.18 Continuing Lien. The security interest granted under this Agreement shall be a continuing security interest in every respect (whether or not the outstanding balance of the Indebtedness is from time to time temporarily reduced to zero) and Lender's security interest in the Collateral as granted herein shall continue in full force and effect for the entire duration that the Credit Agreement and other Loan Documents remain in effect and until all of the Indebtedness is repaid and discharged in full, and no commitment (whether optional or obligatory) to extend any credit under the Credit Agreement or any other Loan Document remains outstanding.

Section 7.19 PATRIOT Act Notice. IMPORTANT INFORMATION ABOUT PROCEDURES REQUIRED BY THE USA PATRIOT ACT. To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each entity or person who opens an account or establishes a relationship with Lender.

What this means: When an entity or person opens an account or establishes a relationship with Lender, Lender may ask for the name, address, date of birth, and other information that will allow Lender to identify the entity or person who opens an account or establishes a relationship with Lender. Lender may also ask to see identifying documents for the entity or person.

Section 7.20 Jury Waiver. The parties hereto acknowledge and agree that there may be a constitutional right to a jury trial in connection with any claim, dispute or lawsuit arising between or among them, but that such right may be waived. Accordingly, the parties agree that, notwithstanding such constitutional right, in this commercial matter the parties believe and agree that it shall in their best interests to waive such right, and, accordingly, hereby waive such right to a jury trial, and further agree that the best forum for hearing any claim, dispute, or lawsuit, if any, arising in connection with this Agreement, the Loan Documents, or the relationship among the parties hereto, in each

case whether now existing or hereafter arising, or whether sounding in contract or tort or otherwise, shall be a court of competent jurisdiction sitting without a jury.

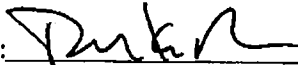
Section 7.21 Subordination Agreement. Until the Senior Debt is Paid in Full (as defined in the Subordination Agreement), the requirements under this Agreement to deliver Collateral or pay proceeds or make other payments with respect to the realization upon any Collateral to Lender or grant control (solely to the extent only one Person can have control of such Collateral) with respect to the Collateral (or in each case, to make representations and warranties with respect to such delivery or such grant of control) to Lender shall be deemed satisfied by the delivery of such Collateral to the Senior Lender, and the Debtors will not be required to make such deliveries, payment or grants to Lender; *provided* that the provisions of this **Section 7.21** shall not apply to any Collateral that is not required to be delivered to the Senior Lender under the Senior Debt Documents, any proceeds or other payments that are not required to be paid to the Senior Lender under the Senior Debt Documents, or any Collateral which is not required to be subject to the control of the Senior Lender under the Senior Debt Documents.

[Remainder of Page Intentionally Left Blank]


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

DEBTOR:


MASTER MOLDED PRODUCTS, LLC

By: 
David Puro, Authorized Signer


RIVER BEND INDUSTRIES, LLC

By: 
David Puro, Authorized Signer

QUANTUM PLASTICS, LLC

By: 
David Puro, Authorized Signer


HOSPITEC, LLC

By: 
David Puro, Authorized Signer


SIGNATURE PAGE 1 OF 3 TO
SECURITY AGREEMENT
(QUANTUM PLASTICS)

TRADEMARK
REEL: 005751 FRAME: 0557


PLASTICOS ACQUISITION, LLC

By: 
David Puro, Authorized Signer

3D ACQUISITION, LLC

By: 
David Puro, Authorized Signer

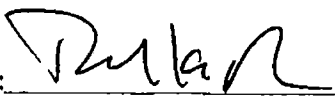
1000 DAVIS ROAD, LLC

By: 
David Puro, Authorized Signer

PROMEX ACQUISITION, LLC

By: 
David Puro, Authorized Signer

PROMEX HOLDINGS, LLC

By: 
David Puro, Authorized Signer

Address for Notices to Debtors:
1030 Doris Road
Auburn Hills, Michigan 48326
Attention: David Puro
Fax No.: (248) 856-3309

LENDER:

MVC CAPITAL, INC.

By: 

Michael Tokarz, Portfolio Manager

Addresses for Notices:

287 Bowman Avenue, 2nd Floor
Purchase, New York 10577
Attention: David J. Williams
Fax No.: (914) 701-0315

With a copy to:

201 East 5th Street, Suite 2310
Cincinnati, Ohio 45202
Attention: David J. Williams
Fax No.: (914) 701-0315

SIGNATURE PAGE 3 OF 3 TO
SECURITY AGREEMENT
(QUANTUM PLASTICS)

TRADEMARK
REEL: 005751 FRAME: 0559

**EXHIBIT A
TO
SECURITY AGREEMENT**

FORM OF AMENDMENT

This Amendment, dated [_____], 201[___], is delivered pursuant to **Section 4.8** of the Security Agreement referred to below. The undersigned hereby agrees that this Amendment may be attached to the Amended and Restated Security Agreement dated as of February [___], 2016, between the Debtors party thereto and MVC Capital, Inc., a Delaware corporation (the "**Security Agreement**"), and (a) [that the intellectual property listed on *Schedule A*]/[that the Equity Interests, notes or other securities or instruments listed on *Schedule A*] annexed hereto shall be and become part of the Collateral referred to in the Security Agreement and shall secure payment and performance of all Indebtedness as provided in the Security Agreement and (b) that *Schedule A* shall be deemed to amend [_____] by supplementing the information provided on such Schedule with the information set forth on *Schedule A*.

Capitalized terms used herein but not defined herein shall have the meanings therefor provided in the Security Agreement.

MASTER MOLDED PRODUCTS, LLC

By: _____
Name: _____
Title: _____

RIVER BEND INDUSTRIES, LLC

By: _____
Name: _____
Title: _____

HOSPITEC, LLC

By: _____
Name: _____
Title: _____

QUANTUM PLASTICS, LLC

By: _____
Name: _____
Title: _____

PLASTICOS ACQUISITION, LLC

By: _____
Name: _____
Title: _____

3D ACQUISITION, LLC

By: _____
Name: _____
Title: _____

MVC CAPITAL, INC.

By: _____
Its: _____

EXHIBIT B

**JOINDER AGREEMENT
(Security Agreement)**

THIS JOINDER AGREEMENT (the "**Joinder Agreement**") is dated as of _____, 201[] by _____, a _____ ("**New Debtor**").

WHEREAS, pursuant to **Section 8.15** of the Credit Agreement dated as of February [], 2016 (as amended or otherwise modified from time to time, the "**Credit Agreement**") by and between Master Molded Products, LLC, a Michigan limited liability company ("**MMP**"), River Bend Industries, LLC, a Michigan limited liability company ("**RBI**"), Hospitec, LLC, a Michigan limited liability company ("**Hospitec**"), Quantum Plastics, LLC, a Michigan limited liability company ("**Plastics**"), Plasticos Acquisition, LLC, a Michigan limited liability company ("**Plasticos**"), 3D Acquisition, LLC, a Michigan limited liability company (together with MMP, RBI, Hospitec, Plastics, and Plasticos, collectively, "**Borrowers**"), and MVC Capital, Inc., a Delaware corporation ("**Lender**"), the New Debtor is required to execute and deliver a joinder agreement to the Security Agreement.

WHEREAS, in order to comply with the Credit Agreement and the Security Agreement (as defined in the Credit Agreement), New Debtor executes and delivers this Joinder Agreement in accordance therewith.

NOW THEREFORE, as a further inducement to Lender to continue to provide credit accommodations to the Borrowers, New Debtor hereby covenants and agrees as follows:

A. All capitalized terms used herein shall have the meanings assigned to them in the Security Agreement (as defined in the Credit Agreement) unless expressly defined to the contrary.

B. New Debtor hereby enters into this Joinder Agreement in order to comply with **Section 8.15** of the Credit Agreement and does so in consideration of the Advances made or to be made from time to time under the Credit Agreement and the other Loan Documents.

C. Schedule [insert appropriate Schedule] attached to this Joinder Agreement is intended to supplement Schedule [insert appropriate Schedule] of the Security Agreement with the respective information applicable to New Debtor.

D. New Debtor shall be considered, and deemed to be, for all purposes of the Credit Agreement, the Security Agreement and the other Loan Documents, a Debtor under the Security Agreement as fully as though New Debtor had executed and delivered the Security Agreement at the time originally executed and delivered under the Credit Agreement and hereby ratifies and confirms its obligations under the Security Agreement, all in accordance with the terms thereof and shall be deemed to have made each representation and warranty set forth in the Security Agreement.

E. As collateral security for the prompt payment and performance in full when due of the Indebtedness (whether at stated maturity, by acceleration or otherwise), New Debtor hereby pledges, assigns, transfers and conveys to Lender as Collateral, and grants Lender a continuing Lien on and security interest in, all of such Debtor's right, title and interest in and to the Collateral.

F. This Joinder Agreement shall be governed by the laws of the State of Ohio (without giving effect to conflict of law principles) and shall be binding upon New Debtor and its successors and assigns.

IN WITNESS WHEREOF, the undersigned New Debtor has executed and delivered this Joinder Agreement as of [_____], 201[_____].

[NEW DEBTOR]

By: _____

Its: _____

Accepted:

MVC CAPITAL, INC.

By: _____

Its: _____

Schedule 1.1

Intellectual Property Collateral

Registered Intellectual Property:

1. United States Patent Number 5,574,623 issued November 12, 1996.
2. United States Patent Number 5,721,666 issued February 24, 1998.
3. United States Trademark Number 86371175 issued June 16, 2015.

Domain names:

4. Mastermolded.com
5. Mastermoldedproducts.com
6. Riverbendindustries.com

Unregistered trade name:

7. Master Molded Products Corporation

Schedule 1.2

Pledged Shares

Master Molded Products, LLC

- Quantum Plastics, LLC is the sole member

River Bend Industries, LLC

- Quantum Plastics, LLC is the sole member

Hospitec, LLC

- Quantum Plastics, LLC is the sole member

Plasticos Acquisition, LLC

- Quantum Plastics, LLC is the sole member

3D Acquisition, LLC

- Quantum Plastics, LLC is the sole member

1000 Davis Road LLC

- Quantum Plastics, LLC is the sole member

Promex Acquisition, LLC

- Plasticos Acquisition, LLC is the sole member

Promex Holdings, LLC

- Plasticos Acquisition, LLC is the sole member

Schedule 1.3

Commercial Tort Claims

None.

Schedule 3.2

Books and Records

Master Molded Products, LLC
Michigan State Organization No. E5063K
Tax ID No. 37-1767492

1000 Davis Road, Elgin, Illinois

River Bend Industries, LLC
Michigan State Organization No. E59666
Tax ID No. 36-4804220

1000 Davis Road, Elgin, Illinois

Quantum Plastics, LLC
Michigan State Organization No. E5442N
Tax ID No. 36-4797746

1000 Davis Road, Elgin, Illinois

Hospitec, LLC
Michigan State Organization No. E6159N
Tax ID No. 30-0863385

1000 Davis Road, Elgin, Illinois

Plasticos Acquisition, LLC
Michigan State Organization No. E74214
Tax ID No. 38-3985302

1000 Davis Road, Elgin, Illinois

3D Acquisition, LLC
Michigan State Organization No. E7323V
Tax ID No. 38-3983073

1000 Davis Road, Elgin, Illinois

1000 Davis Road LLC
Michigan State Organization No. D5206W
Tax ID No. 47-2756203

Promex Acquisition, LLC
Michigan State Organization No. E75221

Tax ID No. 81-0771111

1000 Davis Road, Elgin, Illinois

Promex Holdings, LLC

Michigan State Organization No. E74218

Tax ID No. 61-1775992

1000 Davis Road, Elgin, Illinois

Schedule 3.3(a)

Collateral Locations

Master Molded Products, LLC

1000 Davis Road, Elgin, Illinois
1031 Davis Road, Elgin, Illinois
1480 N. Industrial Park Drive, Nogales, Arizona 85621

JIT International Guadalajara S de RL de CV Avenida Periferico No 4250 Col. Periodistas
Zapopan Jalisco, Mexico CP 45078

River Bend Industries, LLC

3730 Wheeler Avenue, Fort Smith, Arkansas
1125 140th Street NE, North Liberty, Iowa
2135 B Avenue, Victor, Iowa
201 Durham Road, Pocola, Oklahoma 74902
6201 State Line Road, Fort Smith, Arkansas 72901

Quantum Plastics, LLC

1000 Davis Road, Elgin, Illinois

Hospitec, LLC

3730 Wheeler Avenue, Fort Smith, Arkansas

1000 Davis Road LLC

1000 Davis Road, Elgin, Illinois

Promex Acquisition, LLC

1000 Davis Road, Elgin, Illinois

Plasticos Acquisition, LLC

1220 Barranca Drive, Bldg. 4-C, El Paso, Texas 79935
4v. Rosa Maria Fuentes No. 7451, Cd. Juarez, Chihuahua, Mexico

3D Acquisition, LLC

1095 East Commerce, Gladewater, Texas
805 Cotton Street, Longview, Texas 75604
611 Fisher Road, Longview, Texas 75604

Promex Holdings, LLC

1000 Davis Road, Elgin, Illinois

Schedule 3.3(b)

Accounts

Account # 28753 in the name of RBI and maintained at Farmer Savings Bank, Box G, Victor, Iowa 52347

Account # 2353002 in the name of RBI and maintained at First National Bank of Fort Smith, P.O. Box 7, 602 Garrison Avenue, Fort Smith, Arkansas 72902

Account # 2308500 in the name of RBI and maintained at First National Bank of Fort Smith, P.O. Box 7, 602 Garrison Avenue, Fort Smith, Arkansas 72902

Account #XXXXX3039, in the names of MMP and MW Kids, Inc., and maintained at The Private Bank, 120 South LaSalle Street, Chicago, Illinois 60603

Schedule 3.3(c)

Collateral Evidenced by Documents

None.

Schedule 3.7

Jurisdictions

Michigan

Detroit_9219000_4