

## TRADEMARK ASSIGNMENT COVER SHEET

Electronic Version v1.1  
Stylesheet Version v1.2

Assignment ID: TMI89207

<b>SUBMISSION TYPE:</b>	NEW ASSIGNMENT		
<b>NATURE OF CONVEYANCE:</b>	Correction by Declaration erroneously filed against Reel 1726 Frame 0245		
<b>CONVEYING PARTY DATA</b>			
<b>Name</b>	<b>Formerly</b>	<b>Execution Date</b>	<b>Entity Type</b>
MONO-SYSTEMS, INC.		03/30/1998	Corporation: NEW YORK
<b>RECEIVING PARTY DATA</b>			
<b>Company Name:</b>	MONO-SYSTEMS, INC.		
<b>Street Address:</b>	4 INTERNATIONAL DRIVE		
<b>City:</b>	RYE BROOK		
<b>State/Country:</b>	NEW YORK		
<b>Postal Code:</b>	10573		
<b>Entity Type:</b>	Corporation: NEW YORK		
<b>PROPERTY NUMBERS Total: 1</b>			
<b>Property Type</b>	<b>Number</b>	<b>Word Mark</b>	
<b>Registration Number:</b>	1882245	MONO-TRAY	
<b>CORRESPONDENCE DATA</b>			
<b>Fax Number:</b>			
<i>Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent using a fax number, if provided; if that is unsuccessful, it will be sent via US Mail.</i>			
<b>Phone:</b>	2163634677		
<b>Email:</b>	dpoirier@beneschlaw.com		
<b>Correspondent Name:</b>	Mr. Duncan Poirier		
<b>Address Line 1:</b>	127 Public Square		
<b>Address Line 2:</b>	Suite 4900		
<b>Address Line 4:</b>	Cleveland, OHIO 44114		
<b>ATTORNEY DOCKET NUMBER:</b>	73317-3		
<b>NAME OF SUBMITTER:</b>	MR. DUNCAN POIRIER		
<b>SIGNATURE:</b>	MR. DUNCAN POIRIER		
<b>DATE SIGNED:</b>	03/12/2024		
<b>Total Attachments: 131</b>			
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**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE  
ASSIGNMENT RECORDING SERVICES BRANCH**


Registration No. : 1882245  
Mark : MONO-TRAY  
Registrant : Mono-Systems, Inc.

Mail Stop Assignment Recording Services  
Director of the U.S. Patent and Trademark Office  
P.O. Box 1450  
Alexandria, VA 22313-1450

**Correction by Declaration**

This declaration is made to correct the erroneous recordation of the U.S. Security Agreement (the "Agreement") granted by MHE Technologies, Inc. to the Canadian Imperial Bank of Commerce at Reel 1726 Frame 0245 (recorded document attached hereto as Exhibit A) against United States Trademark Registration No. 1882245 for the mark MONO-TRAY (the "Registration").

First, Registrant Mono-Systems, Inc. is not a party to the Agreement. Second, it appears that Schedule IV to the Agreement contains some legibility issues and that MHE Technologies, Inc.'s grant was to United States Trademark Registration No. 1862245 for the mark P&H PHOENIX NEW LIFE FOR CRANES (excerpt of Schedule IV below) that resulted in a typographical error in recordation:

**P&H PHOENIX 1862245  USA 7.37 11/15/1994 11/15/2004 20180  
NEW LIFE FOR  
CRANES and  
Design**

Finally, the Canadian Imperial Bank of Commerce recorded releases of the Agreement at Reel 2464 Frame 0060 and Reel 2522 Frame 0175.

Based on the above, Registrant Mono-Systems, Inc. requests correction of the record and removal of the erroneous recordation.

I declare that, to the best of my knowledge and belief, the information herein is true and complete. I understand this statement is made for use as evidence in court and is subject to penalty for perjury.

Respectfully submitted,

Dated: March 12, 2024

By: /Duncan Poirier/  
Duncan Poirier  
Paralegal  
**BENESCH, FRIEDLANDER,**

**COPLAN & ARONOFF, LLP**  
127 Public Square, Suite 4900  
Cleveland, OH 44114  
216-363-4677

MHD  
4-15-98

07-10-1998

ET  
U.S. DEPARTMENT OF COMMERCE  
Patent and Trademark Office

TI



Tab settings

To the Honorable Commissioner of Patent

100726427

Send original documents or copy thereof.

1. Name of conveying party(ies):

*MHE Technologies, Inc.*

Individual(s)                       Association  
 General Partnership               Limited Partnership  
 Corporation-State *Delaware*  
 Other \_\_\_\_\_

Additional name(s) of conveying party(ies) attached?  Yes  No

2. Name and address of receiving party(ies):

Name: *Canadian Imperial Bank of*  
Internal Address: *Commerce, a Colonial Agent*  
Street Address: *425 Lexington Avenue*  
City: *New York* State: *NY* ZIP: *10017*

Individual(s) citizenship \_\_\_\_\_  
 Association \_\_\_\_\_  
 General Partnership \_\_\_\_\_  
 Limited Partnership \_\_\_\_\_  
 Corporation-State \_\_\_\_\_  
 Other *BANK*

If assignee is not domiciled in the United States, a domestic representative designation is attached:  Yes  No  
(Designations must be a separate document from Assignment)  
Additional name(s) & address(es) attached?  Yes  No

3. Nature of conveyance:

Assignment                               Merger  
 Security Agreement                       Change of Name  
 Other \_\_\_\_\_

Execution Date: *3/30/98*

4. Application number(s) or registration number(s):

A. Trademark Application No.(s)

*See Schedule IV attached hereto*

B. Trademark registration No.(s)

*See Schedule IV attached hereto*

Additional numbers attached?  Yes  No

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

Name: \_\_\_\_\_

Interim: *Return # 75116*  
National Code Corporation  
225 W. 34th St., Suite 2110  
New York, N.Y. 10122  
(800) 221-0102 (212) 947-7200

Street Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ ZIP: \_\_\_\_\_

6. Total number of applications and registrations involved: 18

7. Total fee (37 CFR 3.41): *\$365*

Enclosed  
 Authorized to be charged to deposit account

8. Deposit account number: \_\_\_\_\_

(Attach duplicate copy of this page if paying by deposit account)

DO NOT USE THIS SPACE

04/21/1998 JSHABRAZ 00000076 1914547

01 FC:481                              40.00 OP  
02 FC:482                              325.00 OP

9. Statement and signature.

*To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.*

*Maureen P. Murphy*                      *Maureen P. Murphy*                      *4/10/98*  
Name of Person Signing                      Signature                      Date

Total number of pages comprising cover sheet: 128

OMB No. 0651-0011 (exp. 4/94)

07/10/1998 SSNITH 00000068 1914547                      Do not detach this portion

01 FC:482                              100.00 OP

Mail documents to be recorded with required cover sheet information to:

**Commissioner of Patents and Trademarks  
Box Assignments  
Washington, D.C. 20231**

Public burden reporting for this sample cover sheet is estimated to average about 30 minutes per document to be recorded, including time for reviewing the document and gathering the data needed, and completing and reviewing the sample cover sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Office of Information Systems, PK2-1000C, Washington, D.C. 20231, and to the Office of Management and Budget, Paperwork Reduction Project (0651-0011), Washington, D.C. 20503.

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REEL: 008366 FRAME: 0723

SCHEDULE  
TRADEMARKS

<u>MARK</u>	<u>REGNO</u>	<u>COUNTRY</u>	<u>INTL</u>	<u>REGDATE</u>	<u>RENEWDATE</u>	<u>MASTERFILE</u>
Best By A Dam Site	1914547 1	USA	7	8/29/95	8/29/2005	20008
DIGITORQUE	1793463 2	USA	7,9	9/21/1993	9/21/2003	20178
Electrotorque	848532 3	USA	9	5/7/68	5/7/2008	20016
Encore	1381467 4	USA	7	9/24/85	9/24/2005	20017
Featurbit	1123604 5	USA	7	8/7/79	8/7/99	20018
Hevi-Lift	843231 6	USA	7	3/26/57	3/26/2007	20246
Nu-life	1672380 7	USA	7,8,12	1/21/92	1/21/2002	20083
P&H PHOENIX NEW LIFE FOR CRANES and Design	1882245 8	USA	7,37	11/15/1994	11/15/2004	20180
PACESETTER	1748183 9	USA	7	1/26/1993	1/26/2003	20179
Powermast	893241 10	USA	7	6/23/70	6/23/2000	20148



<u>MARK</u>	<u>REGNO</u>	<u>COUNTRY</u>	<u>INTL</u>	<u>REGDATE</u>	<u>RENEWDATE</u>	<u>MASTERFILE</u>
Prescription Wheels	1663947 //	USA	7	11/12/91	11/12/2001	20314
Pull-a-hoist	777582 12	USA	1,7	9/22/64	9/22/2004	20152
Smartorque	1588954 13	USA	9	11/21/1989	11/21/1999	20156
Smartorque V	1856614 14	USA	9	10/4/1994	10/4/2004	20158
Swinguard	2017470 15	USA	9		11/19/2006	20161
Trav-Start	1099351 16	USA	7 9	8/15/78	8/15/99	20162
Zip-lift	842304 17	USA	7	3/5/57	3/5/2007	20166

<u>MARK</u>	<u>REGNO</u>	<u>COUNTRY</u>	<u>INTL</u>	<u>REGDATE</u>	<u>RENEWDATE</u>	<u>MASTERFILE</u>
Procare	1672082 <i>10</i>	USA	37	1/14/92	1/14/2002	2015

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<u>MARK</u>	<u>REGNO</u>	<u>COUNTRY</u>	<u>INTL</u>	<u>REGDATE</u>	<u>RENEWDATE</u>	<u>MASTERFILE</u>
Electrotorque	8222989	Australia	9	10/4/68	10/4/2003	20015
Electrotorque	164492	Canada	9	8/8/69	8/8/99	20013
Electrotorque	950437	Japan	11	2/15/72	2/15/2002	20014
Electrotorque	68/4243	South Africa	9	9/17/68	9/17/98	20012
Hevi-lift	114765	Canada	7	7/24/59	7/24/2004	20031
Hevi-Lift	156948	Mexico	23	11/19/69	11/19/2004	20245
Powermast	609352555	Brazil	7	8/30/83	8/30/2003	20149
Zip II		Canada	7		3/28/2010	20165
Zip II	<del>241988</del>	Canada		3/28/80	3/28/2010	20317
Zip-lift	112183	Canada	7	11/14/58	11/14/2003	20167

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Zip-lift	180349	Mexico		11/19/89	11/19/2004	20168

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REEL: 008366 FRAME: 0728

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Procara		Australia	37			20610
PROCARE		Canada				20640
PROCARE		South Africa	37			20641
PROCARE		Mexico	37			20646

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U.S. SECURITY AGREEMENT

SECURITY AGREEMENT (the "Agreement"), dated as of March 30, 1998, made by MORRIS MATERIAL HANDLING, INC., a Delaware corporation having an office at 315 West Forest Hill Avenue, Oak Creek, WI 53154 (the "Borrower"), and EACH OF THE GUARANTORS LISTED ON THE SIGNATURE PAGES HERETO OR FROM TIME TO TIME PARTY HERETO BY EXECUTION OF A JOINDER AGREEMENT (collectively, the "Guarantors"; together with the Borrower, the "Pledgors", and each, a "Pledgor"), as pledgors, assignors and debtors, in favor of CANADIAN IMPERIAL BANK OF COMMERCE, having an office at 425 Lexington Avenue, New York, New York 10017, as pledgee, assignee and secured party, in its capacity as collateral agent (in such capacities and together with any successors in such capacity, "Collateral Agent") for the lending institutions (the "Banks") from time to time party to the Credit Agreement (as hereinafter defined).

R E C I T A L S :

A. Pursuant to a certain credit agreement, dated as of the date hereof (as amended, amended and restated, supplemented, or otherwise modified from time to time, the "Credit Agreement"; capitalized terms used herein and not defined shall have the meanings assigned to them in the Credit Agreement), among Morris Material Handling, Inc., a Delaware corporation ("Holdings"), MMH Holdings, Inc., a Delaware corporation ("MMH") as a U.S. Borrower, Material Handling, LLC, a Delaware limited liability company ("Material Handling"), Morris Material Handling, Ltd., a company organized under the laws of England and Wales ("MHE-U.K.") as a U.K. Borrower, Mondel ULC, an unlimited liability company organized under the laws of Nova Scotia ("Mondel") as a Canadian Borrower, Kaverit Steel and Crane ULC, an unlimited liability company organized under the laws of Nova Scotia ("Kaverit") as Canadian Borrower, the Banks, Credit Agricole Indosuez ("Indosuez"), as syndication agent for the Banks (in such capacity, the "Syndication Agent"), BankBoston, N.A., as documentation agent for the Banks (in such capacity, the "Documentation Agent"), and Canadian Imperial Bank of Commerce, as administrative agent and as collateral agent for the Banks (in such capacities, the

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"Administrative Agent" and, together with the Syndication Agent and the Documentation Agent, the "Agents"), the Banks have agreed to make to or for the account of Borrower (i) certain Term Loans up to an aggregate principal amount of \$55,000,000, certain Acquisition Term Loans up to an aggregate principal amount of \$30,000,000 and certain Revolving Loans up to an aggregate principal amount of \$70,000,000 and (ii) certain Swingline Loans and to issue certain Letters of Credit.

B. It is contemplated that the Borrower may enter into one or more agreements with one or more of the Banks (collectively, "Interest Rate Agreements") fixing the interest rates with respect to Loans under the Credit Agreement (all obligations of the Borrower now existing or hereafter arising under such Interest Rate Agreements, collectively, the "Interest Rate Obligations").

C. Each Pledgor has executed and delivered to Collateral Agent a certain guarantee instrument (each, a "Guarantee") pursuant to which, among other things, each Pledgor has guaranteed the obligations of the Borrower under the Credit Agreement and the other Credit Documents, and each Pledgor desires that its Guarantee be secured hereunder.

D. Each Pledgor is or will be the legal and beneficial owner of the Pledged Collateral (as hereinafter defined) to be pledged by it hereunder.

E. It is a condition to the obligations of the Banks to make the Loans under the Credit Agreement and a condition to any Bank issuing Letters of Credit under the Credit Agreement that each Pledgor execute and deliver the applicable Credit Documents, including this Agreement.

F. This Agreement is given by each Pledgor in favor of Collateral Agent for its benefit and the benefit of the Banks and the Agents (collectively, the "Secured Parties") to secure the payment and performance of all of the Secured Obligations (as defined in Section 2).

A G R E E M E N T :

NOW, THEREFORE, in consideration of the foregoing premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Pledgors and Collateral Agent hereby agree as follows:

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Section 1. Pledge. As collateral security for the payment and performance when due of all the Secured Obligations, each Pledgor hereby pledges, assigns, transfers and grants to Collateral Agent for its benefit and the benefit of the Secured Parties, a continuing first priority (except with respect to Prior Liens) security interest in and to all of the right, title and interest of such Pledgor in, to and under the following property, wherever located, whether now existing or hereafter arising or acquired from time to time (collectively, the "Pledged Collateral"):

(a) all "accounts", as such term is defined in the Uniform Commercial Code as in effect from time to time in any applicable jurisdiction (the "UCC"), and in any event including, without limitation, all of such Pledgor's rights to payment for goods sold or leased or services performed by such Pledgor or any other party, and all rights evidenced by an account, contract, security agreement, chattel paper, guarantee (including a letter of credit) or other evidence of indebtedness or security together with (i) all security pledged, assigned, hypothecated or granted to or held by such Pledgor to secure the foregoing, (ii) general intangibles arising out of such Pledgor's rights in any goods, the sale of which gave rise thereto, (iii) all guarantees, endorsements and indemnifications on, or of, any of the foregoing, (iv) all powers of attorney for the execution of any evidence of indebtedness or security or other writing in connection therewith and (v) all evidences of the filing of financing statements and other statements and the registration of other instruments in connection therewith and amendments thereto, notices to other creditors or secured parties and certificates from filing or other registration offices (collectively, the "Receivables");

(b) all "inventory", as such term is defined in the UCC, and, in any event including, without limitation, all raw materials, work in process, returned goods, finished goods, samples and consigned goods to the extent of the consignee's interest therein, materials and supplies of any kind or nature which are or might be used in connection with the manufacture, printing, publication, packing, shipping, advertising, selling or finishing of any such goods and all other products, goods, materials and supplies (collectively, the "Inventory");



(c) all books, records, ledgers, print-outs, file materials and other papers containing information relating to Receivables and any account debtors in respect thereof;

(d) any and all sale, service, performance and equipment lease contracts, agreements and grants (whether written or oral), and any other contract (whether written or oral) between such Pledgor and third parties, but excluding any contract (i) which would be terminable by the counterparty thereto if such Pledgor's interest therein were subject to the security interest created hereby and (ii) for which such Pledgor has not received a consent from such counterparty to the grant of a security interest therein (collectively, the "Contracts");

(e) all "equipment", as such term is defined in the UCC, and, in any event including, without limitation, all machinery, equipment, office machinery, furniture, conveyors, tools, materials, storage and handling equipment, automotive equipment, motor vehicles, tractors, trailers and other like property, whether or not the title thereto is governed by a certificate of title or ownership, and all other equipment of every kind and nature owned by such Pledgor or in which such Pledgor may have any interest (to the extent of such interest), all modifications, alterations, repairs, substitutions, additions and accessions thereto, all replacements and all parts therefor and together with all substitutes for any of the foregoing (collectively, the "Equipment");

(f) all "general intangibles", as such term is defined in the UCC, and, in any event including, without limitation, all manuals, blueprints, know-how, warranties and records in connection with the Equipment; all documents of title or documents representing the Inventory and all records, files and writings with respect thereto; any and all other rights, claims and causes of action of such Pledgor against any other Person and the benefits of any and all collateral or other security given by any other Person in connection therewith, including, without limitation, all rights under any Contracts; all information, customer lists, identification of suppliers, data, plans, blueprints, specification designs, drawings, recorded knowledge, surveys, engineering reports, test reports, manuals, materials, standards, processing standards, performance standards, catalogs, research data, computer and automatic machinery software and programs and the like pertaining to operations by such Pledgor; all field repair

data, sales data and other information relating to sales of products now or hereafter manufactured, distributed or franchised by such Pledgor; all accounting information pertaining to such Pledgor's operations or any of the Equipment, Inventory, Receivables or Intangibles and all media in which or on which any of the information or knowledge or data or records relating to such operations or any of the Equipment, Inventory, Receivables, Contracts or Intangibles may be recorded or stored and all computer programs used for the compilation or printout of such information, knowledge, records or data; all rights and goodwill of such Pledgor; all licenses, consents, permits, variances, certifications and approvals of governmental agencies now or hereafter held by such Pledgor pertaining to operations now or hereafter conducted by such Pledgor or assets now or hereafter held by such Pledgor; all causes of action, claims and warranties now or hereafter owned or acquired by such Pledgor; and any other property consisting of a general intangible under the UCC applicable in such other location where such Pledgor maintains its records relating to such property excluding any contract (i) which would be terminable by the counterparty thereto if such Pledgor's interest were subject to the security interest created hereby and (ii) for which such Pledgor has not received a consent from such counterparty to the grant of a security interest therein (collectively, the "Intangibles");

(g) all insurance policies held by such Pledgor or naming such Pledgor as insured, additional insured or loss payee (including, without limitation, casualty insurance, liability insurance, property insurance and business interruption insurance), all such insurance policies entered into after the date hereof other than insurance policies (or certificates of insurance evidencing such insurance policies) relating to health and welfare insurance and life insurance policies in which such Pledgor is not named as beneficiary (i.e., insurance policies that are not "Key Man" insurance policies) and all rights, claims and recoveries relating thereto (including all dividends, returned premiums and other rights to receive money in respect of any of the foregoing) (collectively, the "Insurance Policies");

(h) such Pledgor's right to receive the surplus funds, if any, which are payable to such Pledgor following the termination of any employee pension plan and the satisfaction of all liabilities of participants and benefici-



TRADEMARK

REEL: 1726 FRAME: 0256

TRADEMARK

REEL: 008366 FRAME: 0734

aries under such plan in accordance with applicable law (collectively, the "Pension Plan Reversions");

(i) the issued and outstanding shares of capital stock of each Person described in Schedule I-A held by such Pledgor hereto and each other corporation hereafter acquired or formed by such Pledgor (the "Pledged Shares") (which are and shall remain at all times until this Agreement terminates, certificated shares), including the certificates representing the Pledged Shares and any interest of such Pledgor in the entries on the books of any financial intermediary pertaining to the Pledged Shares; provided that such Pledgor shall not be required to pledge shares possessing more than 65% of the voting power of all classes of capital stock entitled to vote of any Subsidiary which is a controlled foreign corporation (as defined in Section 957(a) of the Internal Revenue Code of 1986, as amended from time to time (the "Tax Code")) and, in any event, shall not be required to pledge the shares of stock of any Subsidiary otherwise required to be pledged pursuant to this Section 1(i) to the extent that such pledge would constitute an investment of earnings in United States property under Section 956 (or a successor provision) of the Code, which investment would trigger an increase in the gross income of a United States shareholder of such Pledgor pursuant to Section 951 (or a successor provision) of the Tax Code;

(j) subject to the proviso set forth in clause (i) above, all additional shares of capital stock of whatever class of any issuer of the Pledged Shares from time to time acquired by such Pledgor in any manner (which are and shall remain at all times until this Agreement terminates, certificated shares) (which shares shall be deemed to be part of the Pledged Shares), including the certificates representing such additional shares and any interest of such Pledgor in the entries on the books of any financial intermediary pertaining to such additional shares;

(k) all membership interests and/or partnership interests, as applicable, of each Person described in Schedule I-B hereto and each other limited liability company or partnership hereafter acquired or formed by such Pledgor, together with all rights, privileges, authority and powers of such Pledgor in and to each such Person or under the membership or partnership agreement of each such Person (the "Operative Agreements") (collectively, the "Initial Pledged Interests"), and the certificates, instruments and

agreements, if any, representing the Initial Pledged Interests;

(l) all options, warrants, rights, agreements, additional membership or partnership interests or other interests relating to each such Person described in clause (k) above or any interest in any such Person, including, without limitation, any right relating to the equity or membership or partnership interests in any such Person or under the Operative Agreement of any such Person (collectively, the "Additional Interests"; together with the Initial Pledged Interests, the "Pledged Interests"; the Pledged Interests and the Pledged Shares, collectively, the "Pledged Securities") from time to time acquired by such Pledgor in any manner and the certificates, instruments and agreements, if any, representing the Additional Interests;

(m) all intercompany notes described on Schedule II hereto (the "Intercompany Notes") and all certificates or instruments evidencing such Intercompany Notes and all proceeds thereof, all accessions thereto and substitutions therefor;

(n) all dividends, cash, options, warrants, rights, instruments, distributions, returns of capital, income, profits and other property, interests (debt or equity) or proceeds, including as a result of a split, revision, reclassification or other like change of the Pledged Securities, from time to time received, receivable or otherwise distributed to such Pledgor in respect of or in exchange for any or all of the Pledged Securities or Intercompany Notes (collectively, "Distributions");

(o) without affecting the obligations of such Pledgor under any provision prohibiting such action hereunder or under the Credit Agreement, in the event of any consolidation or merger in which any Person listed on Schedule I-A or Schedule I-B hereto is not the surviving entity, all shares of each class of the capital stock of the successor corporation or interests or certificates of the successor limited liability company or partnership owned by such Pledgor (unless such successor is such Pledgor itself) formed by or resulting from such consolidation or merger;

(p) patents issued or assigned to and all patent applications made by such Pledgor, including, without limi-

TRADEMARK

REEL: 1726 FRAME: 0258

TRADEMARK

REEL: 008366 FRAME: 0736

tation, the patents and patent applications listed on Schedule III hereto, along with any and all (i) inventions and improvements described and claimed therein, (ii) reissues, divisions, continuations, extensions and continuations-in-part thereof, (iii) income, royalties, damages, claims and payments now and hereafter due and/or payable thereunder and with respect thereto, including, without limitation, damages and payments for past or future infringements thereof, and (iv) rights to sue for past, present and future infringements thereof (collectively, the "Patents");

(q) trademarks (including service marks), logos, federal and state trademark registrations and applications made by such Pledgor, common law trademarks and trade names owned by or assigned to such Pledgor and all registrations and applications for the foregoing, including, without limitation, the registrations and applications listed on Schedule IV hereto, along with any and all (i) renewals thereof, (ii) income, royalties, damages and payments now and hereafter due and/or payable thereunder and with respect thereto, including, without limitation, damages, claims and payments for past or future infringements thereof, and (iii) rights to sue for past, present and future infringements thereof (collectively, the "Trademarks");

(r) copyrights owned by or assigned to such Pledgor, including, without limitation, the registrations and applications listed on Schedule V hereto, along with any and all (i) renewals and extensions thereof, (ii) income, royalties, damages, claims and payments now and hereafter due and/or payable thereunder and with respect thereto, including, without limitation, damages and payments for past, present or future infringements thereof, and (iii) rights to sue for past, present and future infringements thereof (collectively, the "Copyrights");

(s) license agreements and covenants not to sue with any other party with respect to any Patent, Trademark, or Copyright listed on Schedule VI hereto, along with any and all (i) renewals, extensions, supplements and continuations thereof, (ii) income, royalties, damages, claims and payments now and hereafter due and/or payable thereunder and with respect thereto, including, without limitation, damages and payments for past, present or future breaches thereof, (iii) rights to sue for past, present and future breaches thereof and (iv) any other rights to use, exploit

TRADEMARK

REEL: 1726 FRAME: 0259 ||

TRADEMARK

REEL: 008366 FRAME: 0737

or practice any or all of the Patents, Trademarks or Copyrights (collectively, the "Licenses");

(t) the entire goodwill and all product lines of such Pledgor's business and other general intangibles, including, without limitation, know-how, trade secrets, customer lists, proprietary information, inventions, methods, procedures and formulae connected with the use of and symbolized by the Trademarks of such Pledgor (collectively, the "Good Will");

(u) any and all other property of such Pledgor;

(v) all "documents", as such term is defined in the UCC, including, without limitation, all receipts of such Pledgor covering, evidencing or representing Inventory or Equipment (collectively, the "Documents");

(w) all "instruments", as such term is defined in the UCC, including, without limitation, all promissory notes, drafts, bills of exchange or acceptances (collectively, the "Instruments"); and

(x) all "proceeds", as such term is defined in the UCC or under other relevant law, and in any event including, without limitation, any and all (i) proceeds of any insurance (except payments made to a Person which is not a party to this Agreement), indemnity, warranty or guaranty payable to Collateral Agent or to such Pledgor from time to time with respect to any of the Pledged Collateral, (ii) payments (in any form whatsoever) made or due and payable to such Pledgor from time to time in connection with any requisition, confiscation, condemnation, seizure or forfeiture of all or any part of the Pledged Collateral by any federal, state, local, foreign or other governmental or administrative (including self-regulatory) body, instrumentality, department or agency or any court, tribunal, administrative hearing body, arbitration panel, commission or other similar dispute-resolving body including, without limitation, those governing the regulation and protection of the environment (each, a "Governmental Authority") (or any person acting on behalf of a Governmental Authority), (iii) instruments representing obligations to pay amounts in respect of the Pledged Collateral, (iv) products of the Pledged Collateral and (v) other amounts from time to time paid or payable under or in connection with any of the Pledged Collateral (collectively, the "Proceeds").

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REEL: 1726 FRAME: 0260

TRADEMARK  
REEL: 008366 FRAME: 0738

The Pledged Securities, the Intercompany Notes, the Distributions and the Proceeds relating thereto are collectively referred to as the "Securities Collateral". The Patents, Trademarks, Copyrights, Licenses, Good Will and the Proceeds relating thereto are collectively referred to as the "Intellectual Property Collateral". The Pledged Collateral other than the Securities Collateral and the Intellectual Property is collectively referred to as the "General Collateral".

Notwithstanding the foregoing, the Intellectual Property Collateral shall exclude (i) any intellectual property rights, contracts and agreements to the extent, and only to the extent, that (A) the granting of a Lien or an assignment thereof could be illegal or render such intellectual property right unenforceable under any applicable law or governmental regulation or (B) such intellectual property right, contract or agreement contains a provision enforceable at law and in equity that would be breached by (or would result in the termination of such intellectual property right, contract or agreement upon) the grant of the security interest created herein pursuant to the terms of this Agreement and (ii) "intent to use" applications for trademarks; provided, however, that if and when any prohibition on the assignment, pledge or grant of a security interest in such intellectual property right, contract or agreement is removed, the Secured Party will be deemed to have been granted a security interest in such intellectual property right, contract or agreement as of the date hereof, and the Collateral will be deemed to include such intellectual property right, contract or agreement if otherwise permitted hereunder.

Section 2. Secured Obligations. This Agreement secures, and the Pledged Collateral is collateral security for, the payment and performance in full when due, whether at stated maturity, by acceleration or otherwise (including, without limitation, the payment of interest and other amounts which would accrue and become due but for the filing of a petition in bankruptcy or the operation of the automatic stay under Section 362(a) of the Bankruptcy Code, 11 U.S.C. § 362(a)), of (i) all Obligations of the Borrower now existing or hereafter arising under or in respect of the Credit Agreement and all Interest Rate Obligations of the Borrower now existing or hereafter arising under or in respect of any Interest Rate Agreement (including, without limitation, the obligations of the Borrower to pay principal, interest and all other charges, fees, expenses, commissions, reimbursements, premiums, indemnities and other payments related to or in respect of the Obligations contained in the Credit Agreement) and the obligations contained in any Interest Rate Agreement, (ii) all obligations of the

TRADEMARK  
REEL: 1726 FRAME: 0261

TRADEMARK  
REEL: 008366 FRAME: 0739

Guarantors now existing or hereafter arising under or in respect of the Guarantees (including, without limitation, the obligations of each Guarantor to pay principal, interest and all other charges, fees, expenses, commissions, reimbursements, premiums, indemnities and other payments related to or in respect of the obligations contained in the Guarantees) and (iii) without duplication of the amounts described in clauses (i) and (ii), all obligations of the Pledgors now existing or hereafter arising under or in respect of this Agreement or any other Security Document, including, without limitation, all charges, fees, expenses, commissions, reimbursements, premiums, indemnities and other payments related to or in respect of the obligations contained in this Agreement or in any other Security Document, in each case whether in the regular course of business or otherwise (the obligations described in clauses (i), (ii) and (iii), collectively, the "Secured Obligations").

Section 3. No Release. Nothing set forth in this Agreement shall relieve any Pledgor from the performance of any term, covenant, condition or agreement on such Pledgor's part to be performed or observed under or in respect of any of the Pledged Collateral or from any liability to any Person under or in respect of any of the Pledged Collateral or shall impose any obligation on Collateral Agent or any Secured Party to perform or observe any such term, covenant, condition or agreement on such Pledgor's part to be so performed or observed or shall impose any liability on Collateral Agent or any Secured Party for any act or omission on the part of such Pledgor relating thereto or for any breach of any representation or warranty on the part of such Pledgor contained in this Agreement, any Interest Rate Agreement or any other Credit Document, or under or in respect of the Pledged Collateral or made in connection herewith or therewith. The obligations of each Pledgor contained in this Section 3 shall survive the termination of this Agreement and the discharge of such Pledgor's other obligations under this Agreement, any Interest Rate Agreement and the other Credit Documents.

Section 4. Perfection; Supplements; Further Assurances; Use of Pledged Collateral.

(a) Delivery of Certificated Securities Collateral. All certificates, agreements or instruments representing or evidencing the Securities Collateral, to the extent not previously delivered to Collateral Agent, shall immediately upon receipt thereof by any Pledgor be delivered to and held by or on behalf of Collateral Agent pursuant hereto. All certificated Pledged Securities and Intercompany Notes shall be in suitable



form for transfer by delivery or shall be accompanied by duly executed instruments of transfer or assignment in blank, all in form and substance satisfactory to Collateral Agent. Collateral Agent shall have the right, at any time upon the occurrence and during the continuance of any Event of Default and without notice to any Pledgor, to endorse, assign or otherwise transfer to or to register in the name of Collateral Agent or any of its nominees any or all of the Securities Collateral. In addition, Collateral Agent shall have the right at any time to exchange certificates representing or evidencing Pledged Securities for certificates of smaller or larger denominations.

(b) Perfection of Uncertificated Securities Collateral. If any issuer of Pledged Securities is organized in a jurisdiction which does not permit the use of certificates to evidence equity ownership, or if any of the Pledged Securities are at any time not evidenced by certificates of ownership, then each applicable Pledgor shall, to the extent permitted by applicable law, record such pledge on the equityholder register or the books of the issuer, cause the issuer to execute and deliver to Collateral Agent an acknowledgment of the pledge of such Pledged Securities substantially in the form of Exhibit 1 hereto, execute any customary pledge forms or other documents necessary or appropriate to complete the pledge and give Collateral Agent the right to transfer such Pledged Securities under the terms hereof and, if requested subsequent to the date hereof, provide to Collateral Agent an opinion of counsel, in form and substance satisfactory to Collateral Agent, confirming such pledge.

(c) Financing Statements and Other Filings. Each Pledgor agrees that at any time and from time to time, it will execute and, at the sole cost and expense of the Pledgors file and refile, or permit Collateral Agent to file and refile, such financing statements, continuation statements and other documents (including, without limitation, this Agreement), in form acceptable to Collateral Agent, in such offices (including, without limitation, the United States Patent and Trademark Office and the United States Copyright Office) as Collateral Agent may deem reasonably necessary or appropriate, wherever required or permitted by law in order to perfect, continue and maintain a valid, enforceable, first priority (except with respect to Prior Liens) security interest in the Pledged Collateral as provided herein and to preserve the other rights and interests granted to Collateral Agent hereunder, as against third parties, with respect to any Pledged Collateral. Each Pledgor authorizes Collateral Agent to file any such financing or continuation statement or other document without the signa-

TRADEMARK  
REEL: 1726 FRAME: 0263

TRADEMARK  
REEL: 008366 FRAME: 0741

ture of such Pledgor where permitted by law except upon the occurrence and during the continuance of any Event of Default. Nothing in this paragraph or Agreement shall require the assignment of any Trademarks themselves to Collateral Agent as distinguished from the assignment of a security interest therein.

(d) Supplements; Further Assurances. Each Pledgor agrees to do such further acts and things, and to execute and deliver to Collateral Agent such additional assignments, agreements, supplements, powers and instruments, as Collateral Agent may deem reasonably necessary or appropriate, wherever required or permitted by law, in order to perfect, preserve and protect the security interest in the Pledged Collateral as provided herein and the rights and interests granted to Collateral Agent hereunder, to carry into effect the purposes of this Agreement or better to assure and confirm unto Collateral Agent or permit Collateral Agent to exercise and enforce its respective rights, powers and remedies hereunder with respect to any Pledged Collateral. Without limiting the foregoing, each Pledgor shall make, execute, endorse, acknowledge, file or refile and/or deliver to Collateral Agent from time to time such reasonable lists, descriptions and designations of the Pledged Collateral, copies of warehouse receipts, receipts in the nature of warehouse receipts, bills of lading, documents of title, vouchers, invoices, schedules, confirmatory assignments, supplements, additional security agreements, conveyances, financing statements, transfer endorsements, powers of attorney, certificates, reports and other assurances or instruments. All of the foregoing shall be at the sole cost and expense of Pledgors.

(e) Use and Pledge of Pledged Collateral. Unless an Event of Default shall have occurred and be continuing, (i) each Pledgor can except in the ordinary and prudent course of business with due regard for the security afforded Collateral Agent hereby and (ii) Collateral Agent shall from time to time execute and deliver, upon written request of any Pledgor and at the sole cost and expense of the Pledgors, any and all instruments, certificates or other documents, in a form reasonably requested by such Pledgor, necessary or appropriate in the reasonable judgment of such Pledgor to enable such Pledgor to continue to exploit, license, use, enjoy and protect the Pledged Collateral in accordance with the terms of this Agreement. The Pledgors and Collateral Agent acknowledge that this Agreement is intended to grant to Collateral Agent for the benefit of the Secured Parties a security interest in and Lien upon the Pledged Collateral and shall not constitute or create a present assignment of the Pledged Collateral.

Section 5. Representations, Warranties and Covenants. Each Pledgor represents, warrants and covenants as follows:

(a) Perfection Actions; Prior Liens. Upon the completion of the deliveries, filings and other actions contemplated in Sections 4(a) through 4(d) hereof, the security interest granted to Collateral Agent for the benefit of the Secured Parties pursuant to this Agreement in and to the Pledged Collateral will constitute a perfected security interest therein, superior and prior to the rights of all other Persons therein other than with respect to (i) the Liens identified on Annex A relating to the items of Pledged Collateral identified on such annex and (ii) Liens otherwise permitted hereunder which are created or authorized under any law or regulation of any applicable Governmental Authority and which are required under such law or regulation to be superior to the Lien and security interest created and evidenced hereby (the Liens described in this clause (ii), collectively, "the Governmental Prior Liens"; together with the Liens described in clause (i) above, "Prior Liens").

(b) No Liens. Such Pledgor is as of the date hereof, and, as to Pledged Collateral acquired by it from time to time after the date hereof, such Pledgor will be, the sole direct and beneficial owner of all Pledged Collateral pledged by it hereunder free from any Lien or other right, title or interest of any Person other than (i) Prior Liens, (ii) the Lien and security interest created by this Agreement and the other Security Documents and (iii) Permitted Liens (as hereinafter defined), and such Pledgor shall defend the Pledged Collateral pledged by it hereunder against all claims and demands of all Persons at any time claiming any interest therein adverse to Collateral Agent or any Secured Party. No Pledgor shall enter into any agreement or take any other action that would result in the imposition of any other Lien or impair or conflict with such Pledgors' obligations or the rights of Collateral Agent hereunder.

"Permitted Liens" shall mean (A) with respect to the General Collateral, Liens of the type described in clauses (a), (b), (c), (d), (e), (g) (h), (i), (j), (l) and (p) of the definition of Permitted Encumbrances and (B) with respect to all other Pledged Collateral, Liens of the type described in clause (a) and (p) of the definition of Permitted Encumbrances.

(c) Other Financing Statements. There is no financing statement (or similar statement or instrument of registration under the law of any jurisdiction) covering or purporting to cover any interest of any kind in the Pledged Collateral other than financing statements relating to (i) Prior Liens that do not constitute Governmental Prior Liens, (ii) this Agreement and the other Security Documents (iii) Permitted Liens that do not constitute Governmental Prior Liens and (iv) Liens being released in connection with the Transaction, and so long as any of the Secured Obligations remain unpaid or the Commitments of the Banks to make any Loan or to issue any Letter of Credit shall not have expired or been sooner terminated, no Pledgor shall execute, authorize or permit to be filed in any public office any financing statement (or similar statement or instrument of registration under the law of any jurisdiction) or statements relating to any Pledged Collateral, except, in each case, financing statements filed or to be filed in respect of and covering the security interests granted by such Pledgor pursuant to this Agreement and financing statements relating to Prior Liens or Permitted Liens that in each such case do not constitute Governmental Prior Liens.

(d) Chief Executive Office; Inventory, Equipment and Records. The chief executive office and all Inventory and Equipment of such Pledgor are located at the addresses indicated next to its name on Annex B hereto. Such Pledgor shall not move its chief executive office, any Inventory or Equipment to any location except with respect to (i) motor vehicles, rolling stock and other mobile goods and (ii) Pledged Collateral in transit between locations other than those listed on Annex B except to such new location as such Pledgor may establish in accordance with the last sentence of this Section 5(d). All tangible evidence of all Receivables, Pension Plan Reversions, Contracts, Intangibles and Insurance Policies of such Pledgor and the only original books of account and records of such Pledgor relating thereto are, and will continue to be, kept at such chief executive office, or at such new location for such chief executive office as such Pledgor may establish in accordance with the last sentence of this Section 5(d). All Receivables, Pension Plan Reversions, Contracts, Intangibles and Insurance Policies of such Pledgor are, and will continue to be, controlled and monitored (including, without limitation, for general accounting purposes) from such chief executive office location, or such new location as such Pledgor may establish in ac-

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REEL: 1726 FRAME: 0266

TRADEMARK  
REEL: 008366 FRAME: 0744

cordance with the last sentence of this Section 5(d). Such Pledgor shall not establish a new location for its chief executive office, move any Inventory or Equipment except with respect to (i) motor vehicles, rolling stock and other mobile goods and (ii) Pledged Collateral in transit between locations to any location other than those listed on Annex B or change its name until (i) it shall have given Collateral Agent not less than 30 days' prior written notice of its intention so to do, clearly describing such new location or name and providing such other information in connection therewith as Collateral Agent may request, and (ii) with respect to such new location or name, such Pledgor shall have taken all reasonable action requested by Collateral Agent from time to time to maintain the perfection and priority of the security interest of Collateral Agent for the benefit of the Secured Parties in the Pledged Collateral intended to be granted hereby, including, without limitation, obtaining waivers of landlord's or warehouseman's liens with respect to such new location, if applicable.

(e) Due Authorization and Issuance. All of the Pledged Shares have been, and to the extent hereafter issued will be upon such issuance, duly authorized, validly issued and fully paid and nonassessable. All of the Initial Pledged Interests have been fully paid for, and there is no amount or other obligation owing by any Pledgor to any issuer of the Initial Pledged Interests in exchange for or in connection with the issuance of the Initial Pledged Interests or any Pledgor's status as a partner or a member of any issuer of the Initial Pledged Interests.

(f) No Violations, etc. The pledge of the Pledged Securities pursuant to this Agreement does not violate Regulation G, T, U or X of the Federal Reserve Board.

(g) No Options, Warrants, etc. There are no options, warrants, calls, rights, commitments or agreements of any character to which such Pledgor is a party or by which it is bound obligating such Pledgor to issue, deliver or sell or cause to be issued, delivered or sold, additional Pledged Securities or obligating such Pledgor to grant, extend or enter into any such option, warrant, call, right, commitment or agreement. There are no voting trusts or other agreements or understandings to which such Pledgor is a party with respect to the voting of the capital stock of any issuer of the Pledged Securities.

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REEL: 1726 FRAME: 0267

TRADEMARK  
REEL: 008366 FRAME: 0745

(h) No Claims. Except as set forth in Section 4(1)(ii) Schedule to Recapitalization Agreement, such Pledgor owns or has rights to use all the Pledged Collateral pledged by it hereunder and all rights with respect to any of the foregoing used in, necessary for or material to such Pledgor's business as currently conducted and as contemplated to be conducted pursuant to the Credit Documents. The use by such Pledgor of such Pledged Collateral and all such rights with respect to the foregoing do not infringe on the rights of any Person except as would not result in a Material Adverse Effect or may violate the rights of any third person except as set forth on Schedule (4)(1)(ii) to the Recapitalization Agreement.

(i) Authorization, Enforceability. Such Pledgor has the requisite corporate or other organizational power, authority and legal right to pledge and grant a security interest in all the Pledged Collateral pledged by it pursuant to this Agreement, and this Agreement constitutes the legal, valid and binding obligation of such Pledgor, enforceable against such Pledgor in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium or similar laws relating to or limiting creditors' rights generally or by equitable principles relating to enforceability (regardless of whether such enforceability is considered in a proceeding in equity or at law).

(j) No Consents, etc. Other than any consents of which the failure to obtain would not have a Material Adverse Effect, no consent of any party (including, without limitation, equityholders or creditors of such Pledgor or any account debtor under a Receivable) and no consent, authorization, approval, license or other action by, and no notice to or filing other than filings required to perfect or maintain the perfection of the Liens with, any Governmental Authority or regulatory body or other Person is required for (x) the pledge by such Pledgor of the Pledged Collateral pledged by it pursuant to this Agreement or for the execution, delivery or performance of this Agreement by such Pledgor, (y) the exercise by Collateral Agent of the rights provided for in this Agreement or (z) the exercise by Collateral Agent of the remedies in respect of the Pledged Collateral pursuant to this Agreement, except filings under applicable securities and anti-trust laws and any filings required in foreign countries.

TRADEMARK  
REEL: 1726 FRAME: 0268

TRADEMARK  
REEL: 008366 FRAME: 0746

(k) Pledged Collateral. All information set forth herein, including the schedules and annexes attached hereto, and all information contained in any documents, schedules and lists heretofore delivered to any Secured Party in connection with this Agreement, in each case, relating to the Pledged Collateral, is accurate and complete in all material respects.

(l) Insurance. Other than Liens allowed by Section 5(b) hereof, no Pledgor shall take any action that impairs the rights of Collateral Agent or any Secured Party in the Pledged Collateral. Each Pledgor shall at all times keep the Inventory and Equipment insured, at such Pledgor's own expense, to Collateral Agent's satisfaction against fire, theft and all other risks to which the Pledged Collateral may be subject, in such amounts and with such deductibles as would be maintained by operators of businesses similar to the business of such Pledgor or as Collateral Agent may otherwise require. Each policy or certificate with respect to such insurance shall be endorsed to Collateral Agent's satisfaction for the benefit of Collateral Agent (including, without limitation, by naming Collateral Agent as an additional named insured and loss payee as Collateral Agent may request) and such policy or certificate shall be delivered to Collateral Agent. Each such policy shall state that it cannot be cancelled without 30 days' prior written notice to Collateral Agent. At least 30 days prior to the expiration of any such policy of insurance, each Pledgor shall deliver to Collateral Agent an extension or renewal policy or an insurance certificate evidencing renewal or extension of such policy. If any Pledgor shall fail to insure such Pledged Collateral to Collateral Agent's satisfaction, Collateral Agent shall have the right (but shall be under no obligation) to advance funds to procure or renew or extend such insurance, and such Pledgor agrees to reimburse Collateral Agent for all costs and expenses thereof, with interest on all such funds from the date advanced until paid in full at the highest rate then in effect under the Credit Agreement.

(m) Insurance Proceeds. Any proceeds of insurance received by any Pledgor shall be applied by it as provided in Section 3.02(A)(i) of the Credit Agreement. In the event that any Pledgor is permitted to and elects to apply such proceeds to the repair or replacement of any item of Pledged Collateral, such Pledgor shall upon its receipt of such proceeds from Collateral Agent promptly commence and diligently continue to perform such repair or promptly ef-

fect such replacement. Upon the occurrence and during the continuance of any Event of Default, Collateral Agent shall have the option to apply any proceeds of insurance received by any Pledgor in respect of the Pledged Collateral toward the payment of the Secured Obligations in accordance with Section 13 hereof or to continue to hold such proceeds as additional collateral to secure the performance by the Pledgors of the Secured Obligations.

(n) Payment of Taxes; Compliance with Laws; Claims. Each Pledgor shall pay prior to the date on which material penalties would attach thereto all property and other taxes, assessments and governmental charges or levies imposed upon, and all claims (including claims for labor, materials and supplies) against, the Pledged Collateral. Each Pledgor shall comply with all laws, rules and regulations applicable to the Pledged Collateral the failure to comply with which would have an adverse effect on the value or use of such Pledged Collateral or the Lien on such Pledged Collateral granted to Collateral Agent hereunder. Notwithstanding the foregoing, each Pledgor may at its own expense contest the amount or applicability of any of the obligations described in the preceding sentences by appropriate legal or administrative proceedings, prosecution of which operates to prevent the collection thereof and the sale or forfeiture of the Pledged Collateral or any part thereof to satisfy the same; provided, however, that in connection with such contest, such Pledgor shall (a) have made provision for the payment of such contested amount on such Pledgor's books if and to the extent required by generally accepted accounting principles or (b) bonded such obligation in form and amount reasonably satisfactory to Collateral Agent.

(o) Consents. To the extent that any property of any Pledgor would constitute Collateral hereunder but for the exclusions contained in the applicable clauses of Section 1 hereunder, such Pledgor shall use its best efforts to obtain the consent necessary to make such exclusion inapplicable.

Section 6. Special Provisions Concerning General Collateral.

(a) Special Representations and Warranties. As of the time when each of its Receivables arises, each Pledgor shall be deemed to have represented and warranted that such Receivable and all records, papers and documents relating thereto

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(i) are genuine and correct and in all material respects what they purport to be, (ii) represent the legal, valid and binding obligation of the account debtor, except as such enforceability may be limited by bankruptcy, insolvency, fraudulent conveyance reorganization, moratorium or similar laws relating to or limiting creditors' rights generally or by equitable principles relating to enforceability, evidencing indebtedness unpaid and owed by such account debtor, arising out of the performance of labor or services or the sale or lease and delivery of the merchandise listed therein or out of an advance or a loan, not subject to the fulfillment of any contract or condition whatsoever or to any defenses, set-offs or counterclaims except with respect to refunds, returns, warranty claims and allowances in the ordinary course of business, or stamp or other taxes, (iii) will, in the case of chattel paper on negotiable instruments, be the only original writings evidencing and embodying such obligation of the account debtor named therein, and (iv) are in compliance and conform in all material respects with all applicable federal, state and local laws and applicable laws of any relevant foreign jurisdiction.

(b) Maintenance of Records. Each Pledgor shall keep and maintain at its own cost and expense complete records of each Receivable, in a manner consistent with prudent business practice, including, without limitation, records of all payments received, all credits granted thereon, all merchandise returned and all other documentation relating thereto, and each Pledgor shall make the same available to Collateral Agent or any Secured Party for inspection upon reasonable prior notice to such Pledgor, at such times as Collateral Agent may request. Each Pledgor shall, at such Pledgor's sole cost and expense, upon Collateral Agent's demand made at any time after the occurrence and during the continuance of any Event of Default, deliver all tangible evidence of Receivables, including, without limitation, all documents evidencing Receivables and any books and records relating thereto to Collateral Agent or to its representatives (copies of which evidence and books and records may be retained by such Pledgor). Upon the occurrence and during the continuance of any Event of Default, Collateral Agent may transfer a full and complete copy of any Pledgor's books, records, credit information, reports, memoranda and all other writings relating to the Receivables to and for the use by any Person that has acquired or is contemplating acquisition of an interest in the Receivables or Collateral Agent's security interest therein without the consent of any Pledgor.

(c) Legend. Each Pledgor shall legend, at the request of Collateral Agent made at any time after the occurrence

and during the continuance of any Event of Default and in form and manner satisfactory to Collateral Agent, the Receivables and the other books, records and documents of such Pledgor evidencing or pertaining to the Receivables with an appropriate reference to the fact that Collateral Agent has a security interest therein.

(d) Modification of Terms, etc. No Pledgor shall rescind or cancel any indebtedness evidenced by any Receivable or modify any term thereof or make any adjustment with respect thereto except in the ordinary course of business consistent with prudent business practice, or extend or renew any such indebtedness except in the ordinary and prudent course of business with due regard for the security afforded Collateral Agent hereby or compromise or settle any dispute, claim, suit or legal proceeding relating thereto or sell any Receivable or interest therein without the prior written consent of Collateral Agent. Each Pledgor shall use best efforts to timely fulfill all obligations on its part to be fulfilled under or in connection with the Receivables.

(e) Collection. Each Pledgor shall cause to be collected from the account debtor of each of the Receivables, as and when due (including, without limitation, Receivables that are delinquent, such Receivables to be collected in accordance with generally accepted commercial collection procedures), any and all amounts owing under or on account of such Receivable, and apply forthwith upon receipt thereof all such amounts as are so collected to the outstanding balance of such Receivable, except that any Pledgor may, with respect to a Receivable, allow in the ordinary course of business (i) a refund or credit due as a result of returned or damaged or defective merchandise and (ii) such extensions of time to pay amounts due in respect of Receivables and such other modifications of payment terms or settlements in respect of Receivables as shall be commercially reasonable in the circumstances, all in accordance with such Pledgor's ordinary course of business consistent with its collection practices as in effect from time to time or as otherwise consented by Collateral Agent. The costs and expenses (including, without limitation, reasonable attorneys' fees) of collection, in any case, whether incurred by any Pledgor, Collateral Agent or any Secured Party, shall be paid by the Pledgors.

(f) Instruments. Each Pledgor shall deliver to Collateral Agent, within five days after receipt thereof by such Pledgor, any Instrument evidencing Receivables which is in the principal amount of [\$100,000] or more. Any Instrument deliv-

ered to Collateral Agent pursuant to this Section 6(f) shall be appropriately endorsed (if applicable) to the order of Collateral Agent, as agent for the Secured Parties, and shall be held by Collateral Agent as further security hereunder, provided, however, so long as no Event of Default shall have occurred and be continuing, each Pledgor may request Collateral Agent to re-deliver the Instrument if necessary to collect on it.

(g) Cash Collateral. Upon the occurrence and during the continuance of any Event of Default, if Collateral Agent so directs, each Pledgor shall cause all payments on account of the Receivables to be held by Collateral Agent as cash collateral, upon acceleration or otherwise. Without notice to or assent by any Pledgor, Collateral Agent may apply any or all amounts then or thereafter held as cash collateral in the manner provided in Section 11. The costs and expenses (including, without limitation, reasonable attorneys' fees) of collection, whether incurred by Collateral Agent or any Secured Party, shall be paid by the Pledgors.

(h) Maintenance of Equipment. Each Pledgor shall cause the Equipment to be maintained and preserved in good repair and working order as when new, ordinary wear and tear excepted, and to the extent consistent with current business practice in accordance with any manufacturer's manual, and shall forthwith, or in the case of any loss or damage which (individually or in the aggregate) exceeds \$100,000 to any of the Equipment (other than worn out, obsolete or otherwise unsuitable Equipment) (of which prompt notice shall be given to Collateral Agent) as quickly as commercially practicable after the occurrence thereof, make or cause to be made all repairs, replacements and other improvements in connection therewith which are necessary or desirable in the conduct of such Pledgor's business.

(i) Warehouse Receipts Non-Negotiable. If any warehouse receipt or receipt in the nature of a warehouse receipt is issued with respect to any of the Inventory, the applicable Pledgor shall not permit such warehouse receipt or receipt in the nature thereof to be "negotiable" (as such term is used in Section 7-104 of the UCC or under other relevant law) other than Inventory which is in transit from the supplier to Pledgor between locations specified on Exhibit B or covered by the last sentence of Section 5(d) hereof, or to customers of Pledgor.

Section 7. Special Provisions Concerning Securities Collateral.

(a) Pledge of Additional Securities. Each Pledgor shall, upon obtaining any Pledged Securities or Intercompany Notes of any Person, promptly (and in any event within ten (10) Business Days) deliver to Collateral Agent a pledge amendment, duly executed by such Pledgor, in substantially the form of Exhibit 2 hereto (each, a "Pledge Amendment"), in respect of the additional Pledged Securities or Intercompany Notes which are to be pledged pursuant to this Agreement, and confirming the attachment of the Lien hereby created on and in respect of such additional property. Each Pledgor hereby authorizes Collateral Agent to attach each Pledge Amendment to this Agreement and agrees that all Pledged Securities or Intercompany Notes listed on any Pledge Amendment delivered to Collateral Agent shall for all purposes hereunder be considered Pledged Collateral.

(b) Voting Rights; Distributions; etc.

(i) So long as no Event of Default shall have occurred and be continuing:

(A) Each Pledgor shall be entitled to exercise any and all voting and other consensual rights pertaining to the Pledged Securities or any part thereof for any purpose not inconsistent with the terms or purposes of this Agreement or any other Credit Document; provided, however, that no Pledgor shall in any event exercise such rights in any manner which could reasonably be expected to have a material effect on the value of the Pledged Collateral or an adverse effect on the security intended to be provided by this Agreement.

(B) Subject to the terms of the Credit Agreement, each Pledgor shall be entitled to receive and retain, and to utilize free and clear of the Lien of this Agreement, any and all Distributions, but only if and to the extent made in accordance with the provisions of the Credit Agreement; provided, however, that any and all such Distributions consisting of rights or interests in the form of securities shall be forthwith delivered to Collateral Agent to hold as Pledged Collateral and shall, if received by any Pledgor, be received in trust for the benefit of Collateral Agent, be segregated from the other property or funds of such Pledgor and be forthwith delivered to Collateral Agent as Pledged Collateral in the same form as so received (with any necessary endorsement).

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(C) Collateral Agent shall be deemed without further action or formality to have granted to each Pledgor all necessary consents relating to voting rights and shall, if necessary, upon written request of any Pledgor and at the sole cost and expense of the Pledgors, from time to time execute and deliver (or cause to be executed and delivered) to such Pledgor all such instruments as such Pledgor may reasonably request in order to permit such Pledgor to exercise the voting and other rights which it is entitled to exercise pursuant to Section 7(b)(i)(A) hereof and to receive the Distributions which it is authorized to receive and retain pursuant to Section 7(b)(i)(B) hereof.

(ii) Upon the occurrence of and during the continuance of any Event of Default:

(A) All rights of each Pledgor to exercise the voting and other consensual rights it would otherwise be entitled to exercise pursuant to Section 7(b)(i)(A) hereof without any action or the giving of any notice shall cease, and all such rights shall thereupon become vested in Collateral Agent, which shall thereupon have the sole right to exercise such voting and other consensual rights.

(B) All rights of each Pledgor to receive Distributions which it would otherwise be authorized to receive and retain pursuant to Section 7(b)(i)(B) hereof shall cease and all such rights shall thereupon become vested in Collateral Agent, which shall thereupon have the sole right to receive and hold as Pledged Collateral such Distributions; provided that if the Loans have not been accelerated as provided in the Credit Agreement, such Pledgor may receive such Distributions for application solely to the payment of taxes in accordance with Section 5(n) hereof or to payment of the Secured Obligations.

(iii) Each Pledgor shall, at its sole cost and expense, from time to time execute and deliver to Collateral Agent appropriate instruments as Collateral Agent may reasonably request in order to permit Collateral Agent to exercise the voting and other rights which it may be entitled to exercise pursuant to Section 7(b)(ii)(A) hereof and to receive all Distributions which it may be entitled to receive under Section 7(b)(ii)(B) hereof.

(iv) All Distributions which are received by any Pledgor contrary to the provisions of Section 7(b)(ii)(B)

hereof shall be received in trust for the benefit of Collateral Agent, shall be segregated from other funds of such Pledgor and shall immediately be paid over to Collateral Agent as Pledged Collateral in the same form as so received (with any necessary endorsement).

(c) No New Securities. Each Pledgor shall cause each issuer of the Pledged Securities not to issue any stock or other securities or equity interests in addition to or in substitution for the Pledged Securities issued by such issuer, except to Pledgor, or except as otherwise not prohibited by the Credit Agreement.

(d) Operative Agreements. Each Pledgor has delivered to Collateral Agent true, correct and complete copies of the Operative Agreements. The Operative Agreements are in full force and effect, have not as of the date hereof been amended or modified, and there is no existing default by any party thereunder or any event which, with the giving of notice of passage of time or both, would constitute a default by any party thereunder. Each Pledgor shall deliver to Collateral Agent a copy of any notice of default given or received by it under any Operative Agreement within ten (10) days after such Pledgor gives or receives such notice. No Pledgor will terminate or agree to terminate any Operative Agreement or make any amendment or modification to any Operative Agreement which may have an adverse effect on the value of the Pledged Interests or could reasonably be expected to have a material effect on the value of the Pledged Collateral or an adverse effect on the security intended to be provided by this Agreement.

Section 8. Special Provisions Concerning Intellectual Property Collateral.

(a) Protection of Collateral Agent's Security. On a continuing basis, each Pledgor shall, at its sole cost and expense, (i) promptly following its becoming aware thereof, notify Collateral Agent of (A) any adverse determination in any proceeding in the United States Patent and Trademark Office or the United States Copyright Office with respect to any Patent, Trademark or Copyright or (B) the institution of any proceeding or any adverse determination in any federal, state or local court or administrative body regarding such Pledgor's claim of ownership in or right to use any of the Intellectual Property Collateral, its right to register the Intellectual Property Collateral or its right to keep and maintain such registration in full force and effect, (ii) maintain and protect the Intellectual Property Collateral necessary for the operation of such

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Pledgor's business, (iii) not permit to lapse or become abandoned any Intellectual Property Collateral necessary for the operation of such Pledgor's business, and not settle or compromise any pending or future litigation or administrative proceeding with respect to the Intellectual Property Collateral necessary for the operation of such Pledgor's business, in each case, without the consent of Collateral Agent, (iv) upon such Pledgor obtaining knowledge thereof, promptly notify Collateral Agent in writing of any event which may reasonably be expected to adversely affect the value or utility of the Intellectual Property Collateral or any portion thereof necessary for the operation of such Pledgor's business, the ability of such Pledgor or Collateral Agent to dispose of the Intellectual Property Collateral or any portion thereof or the rights and remedies of Collateral Agent in relation thereto, including, without limitation, a levy or threat of levy or any legal process against the Intellectual Property Collateral or any portion thereof, (v) not license the Intellectual Property Collateral other than licenses entered into by such Pledgor in, or incidental to, the ordinary course of business or any transactions permitted by Section 7.17 of the Credit Agreement, or amend or permit the amendment of any of the licenses in a manner that adversely affects the right to receive payments thereunder, or in any manner that would impair the value of the Intellectual Property Collateral or the Lien on the Intellectual Property Collateral intended to be granted to Collateral Agent for the benefit of the Secured Parties, without the consent of Collateral Agent, (vi) until Collateral Agent exercises its rights to make collection, diligently keep adequate records respecting the Intellectual Property Collateral and (vii) furnish to Collateral Agent from time to time statements and amended schedules further identifying and describing the Intellectual Property Collateral and such other materials evidencing or reports pertaining to the Intellectual Property Collateral as Collateral Agent may from time to time reasonably request, all in reasonable detail. Provided Collateral Agent is advised in writing, nothing herein shall require Pledgor to renew the registration of any Trademark which is not intended to be continued or used or is not used by Pledgor in its business or to pay any maintenance fee with respect to any Patent which Pledgor reasonably deems to be of little or no value.

(b) After-Acquired Property. If any Pledgor shall, at any time before the Secured Obligations have been paid or the Commitments of the Banks to make any Loan or to issue any Letter of Credit have expired or been sooner terminated (i) obtain any rights to any additional Intellectual Property Collateral or (ii) become entitled to the benefit of any additional

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Intellectual Property Collateral or any renewal or extension thereof, including any reissue, division, continuation, or continuation-in-part of any Patent, or any improvement on any Patent, the provisions of this Agreement shall automatically apply thereto and any such item enumerated in clause (i) or (ii) with respect to such Pledgor shall automatically constitute Intellectual Property Collateral if such would have constituted Intellectual Property Collateral at the time of execution of this Agreement and be subject to the Lien created by this Agreement without further action by any party other than actions required to perfect such Lien. Each Pledgor shall promptly provide to Collateral Agent written notice of any of the foregoing. Each Pledgor agrees, promptly following a request by Collateral Agent, to confirm the attachment of the Lien created by this Agreement to any rights described in clauses (i) and (ii) above if such would have constituted Intellectual Property Collateral at the time of execution of this Agreement by execution of an instrument in form reasonably acceptable to Collateral Agent.

(c) Modifications. Each Pledgor authorizes Collateral Agent to modify this Agreement by amending Schedules III, IV, V and VI hereto to include any future Intellectual Property Collateral of such Pledgor, including, without limitation, any of the items listed in Section 8(b).

(d) Applications. Each Pledgor shall file and prosecute diligently all applications for the Patents, the Trademarks or the Copyrights now or hereafter pending that would be necessary to the business of such Pledgor to which any such applications pertain, and shall do all acts necessary to preserve and maintain all rights in the Intellectual Property Collateral necessary for the operation of such Pledgor's business. Any and all costs and expenses incurred in connection with any such actions shall be borne by the Pledgors. No Pledgor shall abandon any right to file a Patent, Trademark or Copyright application, or any pending Patent, Trademark or Copyright application or any Patent, Trademark or Copyright necessary for the operation of such Pledgor's business without the consent of Collateral Agent.

(e) Litigation.

(i) Unless there shall occur and be continuing any Event of Default, each Pledgor shall have the right to commence and prosecute in its own name, as the party in interest, for its own benefit and at the sole cost and expense of the Pledgors, such applications for protection of the Intellectual Property Collateral and suits, proceed-



ings or other actions for infringement, counterfeiting, unfair competition, dilution or other damage as are in its reasonable business judgment necessary to protect the Intellectual Property Collateral necessary for the operations of such Pledgor's business. Each Pledgor shall promptly notify Collateral Agent in writing as to the commencement and prosecution of any such actions, or threat thereof relating to such Intellectual Property Collateral, and shall provide to Collateral Agent such information with respect thereto as may be reasonably requested by Collateral Agent. Each Pledgor shall indemnify and hold harmless each Secured Party for any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, expenses or disbursements (including attorneys' fees and expenses) of any kind whatsoever which may be imposed on, incurred by or asserted against such Secured Party in connection with or in any way arising out of such suits, proceedings or other actions.

(ii) Upon the occurrence and during the continuance of any Event of Default, Collateral Agent shall have the right but shall in no way be obligated to file applications for protection of the Intellectual Property Collateral and/or bring suit in the name of any Pledgor, Collateral Agent or the Secured Parties to enforce the Intellectual Property Collateral and any license thereunder. In the event of such suit, each Pledgor shall, at the request of Collateral Agent, do any and all lawful acts and execute any and all documents requested by Collateral Agent in aid of such enforcement and the Pledgors shall promptly, upon demand, reimburse and indemnify Collateral Agent, as the case may be, for all costs and expenses (including reasonable fees and expenses of counsel) incurred by Collateral Agent in the exercise of its rights under this Section 8(e). In the event that Collateral Agent shall elect not to bring suit to enforce the Intellectual Property Collateral, each Pledgor agrees, at the request of Collateral Agent, to use all reasonable measures, whether by action, suit, proceeding or otherwise, to prevent the infringement, counterfeiting or other diminution in value of any of the Intellectual Property Collateral by others and for that purpose agrees to diligently maintain any action, suit or proceeding against any person so infringing necessary to prevent such infringement unless such Pledgor has determined that such Intellectual Property Collateral that is the subject of any pending or contemplated infringement or enforcement action or proceeding does not contain or represent any value or utility

(other than of an immaterial nature), consistent with prudent business practice.

Section 9. [RESERVED]

Section 10. Transfers and Other Liens. Except as otherwise permitted by the Credit Agreement, no Pledgor shall (a) sell, convey, assign or otherwise dispose of, or grant any option with respect to, any of the Pledged Collateral pledged by it hereunder except as permitted by the Credit Agreement, (b) create or permit to exist any Lien upon or with respect to any of the Pledged Collateral pledged by it hereunder other than (i) Prior Liens, (ii) the Lien and security interest granted to Collateral Agent under this Agreement and the other Security Documents and (iii) Permitted Liens or (c) permit any issuer of the Pledged Securities to merge, consolidate or change its legal form, unless all of the outstanding equity interests of the surviving or resulting entity are, upon such merger or consolidation, pledged hereunder and no cash, securities or other property is distributed in respect of the outstanding equity interests of any other constituent entity except as permitted by the Credit Agreement.

Section 11. Reasonable Care. Collateral Agent shall be deemed to have exercised reasonable care in the custody and preservation of the Pledged Collateral in its possession if such Pledged Collateral is accorded treatment substantially equivalent to that which Collateral Agent, in its individual capacity, accords its own property consisting of similar instruments or interests, it being understood that neither Collateral Agent nor any of the Secured Parties shall have responsibility for (i) ascertaining or taking action with respect to calls, conversions, exchanges, maturities, tenders or other matters relating to any Securities Collateral, whether or not Collateral Agent or any other Secured Party has or is deemed to have knowledge of such matters, or (ii) taking any necessary steps to preserve rights against any Person with respect to any Pledged Collateral.

Section 12. Remedies upon Default: Obtaining the Pledged Collateral upon Event of Default. (a) If any Event of Default shall have occurred and be continuing, then and in every such case, Collateral Agent may:

- (i) Personally, or by agents or attorneys, immediately take possession of the Pledged Collateral or any part thereof, from any Pledgor or any other Person who then has possession of any part thereof with or without

notice or process of law, and for that purpose may enter upon any Pledgor's premises where any of the Pledged Collateral is located and remove such Pledged Collateral and use in connection with such removal any and all services, supplies, aids and other facilities of any Pledgor;

(ii) Instruct the obligor or obligors on any agreement, instrument or other obligation (including, without limitation, the Receivables and Contracts) constituting part of the Pledged Collateral to make any payment required by the terms of such instrument or agreement directly to Collateral Agent; provided, however, that in the event that any such payments are made directly to any Pledgor, prior to receipt by any such obligor of such instruction, such Pledgor shall segregate all amounts received pursuant thereto in a separate account and pay the same promptly to Collateral Agent;

(iii) Sell, assign or otherwise liquidate, or direct any Pledgor to sell, assign or otherwise liquidate, any or all investments made in whole or in part with the Pledged Collateral or any part thereof, and take possession of the proceeds of any such sale, assignment or liquidation;

(iv) Take possession of the Pledged Collateral or any part thereof, by directing any Pledgor in writing to deliver the same to Collateral Agent at any place or places so designated by Collateral Agent, in which event such Pledgor shall at its own expense: (A) forthwith cause the same to be moved to the place or places designated by Collateral Agent and there delivered to Collateral Agent, (B) store and keep any Pledged Collateral so delivered to Collateral Agent at such place or places pending further action by Collateral Agent; and (C) while the Pledged Collateral shall be so stored and kept, provide such security and maintenance services as shall be necessary to protect the same and to preserve and maintain them in good condition. Each Pledgor's obligation to deliver the Pledged Collateral is of the essence of this Agreement;

(v) Retain and apply the Distributions to the Secured Obligations as provided in Section 13 hereof; and

(vi) Exercise any and all rights as beneficial and legal owner of the Pledged Collateral, including, without limitation, perfecting assignment of any and all consensual rights and powers with respect to any Pledged Collateral.

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Upon application to a court of equity having jurisdiction, Collateral Agent shall be entitled to a decree requiring specific performance by any Pledgor of such obligation.

(b) Remedies; Disposition of the Pledged Collateral.

(i) Upon the occurrence and during the continuance of any Event of Default, Collateral Agent may from time to time exercise in respect of the Pledged Collateral, in addition to the other rights and remedies provided for herein or otherwise available to it, all the rights and remedies of a secured party on default under the UCC, and Collateral Agent may also in its sole discretion, without notice except as specified below, sell, assign or grant a license to use the Pledged 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 Collateral Agent's offices or elsewhere, for cash, on credit or for future delivery, and at such price or prices and upon such other terms as Collateral Agent may deem commercially reasonable. Collateral Agent or any other Secured Party or any of their respective Affiliates may be the purchaser of any or all of the Pledged Collateral at any such sale and shall be entitled, for the purpose of bidding and making settlement or payment of the purchase price for all or any portion of the Pledged Collateral sold at such sale, to use and apply any of the Secured Obligations owed to such Person as a credit on account of the purchase price of any Pledged Collateral payable by such Person at such sale. Each purchaser at any such sale shall acquire the property sold absolutely free from any claim or right on the part of any Pledgor, and each Pledgor hereby waives, to the fullest extent permitted by law, all rights of redemption, stay and/or appraisal which it now has or may at any time in the future have under any rule of law or statute now existing or hereafter enacted. Collateral Agent shall not be obligated to make any sale of Pledged Collateral regardless of notice of sale having been given. Collateral Agent may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned. Each Pledgor hereby waives, to the fullest extent permitted by law, any claims against Collateral Agent arising by reason of the fact that the price at which any Pledged Collateral may have been sold at such a private sale was less than the price which might have been obtained at a public sale, even if Collateral Agent accepts the first offer received and does not offer such Pledged Collateral to more than one offeree.

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REEL: 008366 FRAME: 0760

(ii) Each Pledgor acknowledges and agrees that, to the extent notice of sale shall be required by law, ten days' notice to such Pledgor of the time and place of any public sale or of the time after which any private sale or other intended disposition is to take place shall be commercially reasonable notification of such matters. No notification need be given to any Pledgor if it has signed, after the occurrence of an Event of Default, a statement renouncing or modifying any right to notification of sale or other intended disposition.

(c) Waiver of Notice and Claims. Each Pledgor hereby waives, to the fullest extent permitted by applicable law, notice or judicial hearing in connection with Collateral Agent's taking possession or Collateral Agent's disposition of any of the Pledged Collateral, including, without limitation, any and all prior notice and hearing for any prejudgment remedy or remedies and any such right which such Pledgor would otherwise have under law, and each Pledgor hereby further waives, to the fullest extent permitted by applicable law: (i) all damages occasioned by such taking of possession, (ii) all other requirements as to the time, place and terms of sale or other requirements with respect to the enforcement of Collateral Agent's rights hereunder, and (iii) all rights of redemption, appraisal, valuation, stay, extension or moratorium now or hereafter in force under any applicable law. Collateral Agent shall not be liable for any incorrect or improper payment made pursuant to this Section 12 in the absence of gross negligence or willful misconduct. Any sale of, or the grant of options to purchase, or any other realization upon, any Pledged Collateral shall operate to divest all right, title, interest, claim and demand, either at law or in equity, of the applicable Pledgor therein and thereto, and shall be a perpetual bar both at law and in equity against such Pledgor and against any and all Persons claiming or attempting to claim the Pledged Collateral so sold, optioned or realized upon, or any part thereof, from, through or under such Pledgor.

(d) Certain Sales of Pledged Collateral. Each Pledgor recognizes that, by reason of certain prohibitions contained in law, rules, regulations or orders of any foreign Governmental Authority, Collateral Agent may be compelled, with respect to any sale of all or any part of the Pledged Collateral, to limit purchasers to those who meet the requirements of such foreign Governmental Authority. Each Pledgor acknowledges that any such sales may be at prices and on terms less favorable to Collateral Agent than those obtainable through a public sale without such restrictions, and, notwithstanding such circumstances, agrees that any such restricted sale shall be

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REEL: 008366 FRAME: 0761

deemed to have been made in a commercially reasonable manner and that, except as may be required by applicable law, Collateral Agent shall have no obligation to engage in public sales.

(e) Each Pledgor recognizes that, by reason of certain prohibitions contained in the Securities Act of 1933, as amended (the "Securities Act"), and applicable state securities laws, Collateral Agent may be compelled, with respect to any sale of all or any part of the Securities Collateral, to limit purchasers to Persons who will agree, among other things, to acquire such Securities Collateral for their own account, for investment and not with a view to the distribution or resale thereof. Each Pledgor acknowledges that any such private sales may be at prices and on terms less favorable to Collateral Agent than those obtainable through a public sale without such restrictions (including, without limitation, a public offering made pursuant to a registration statement under the Securities Act), and, notwithstanding such circumstances, agrees that any such private sale shall be deemed to have been made in a commercially reasonable manner and that Collateral Agent shall have no obligation to engage in public sales and no obligation to delay the sale of any Securities Collateral for the period of time necessary to permit the issuer thereof to register it for a form of public sale requiring registration under the Securities Act or under applicable state securities laws, even if such issuer would agree to do so.

(f) Notwithstanding the foregoing, each Pledgor shall, upon the occurrence and during the continuance of any Event of Default, at the request of Collateral Agent, for the benefit of Collateral Agent, cause any registration, qualification under or compliance with any federal or state securities law or laws to be effected with respect to all or any part of the Securities Collateral as soon as practicable and at the sole cost and expense of the Pledgors. Each Pledgor will use its best efforts to cause such registration to be effected (and be kept effective) and will use its best efforts to cause such qualification and compliance to be effected (and be kept effective) as may be so requested and as would permit or facilitate the sale and distribution of such Securities Collateral, including, without limitation, registration under the Securities Act (or any similar statute then in effect), appropriate qualifications under applicable blue sky or other state securities laws and appropriate compliance with any other government requirements. Each Pledgor shall cause Collateral Agent to be kept advised in writing as to the progress of each such registration, qualification or compliance and as to the completion thereof, shall furnish to Collateral Agent such number of pro-

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REEL: 1726 FRAME: 0284

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REEL: 008366 FRAME: 0762

spectuses, offering circulars or other documents incident thereto as Collateral Agent from time to time may request, and shall indemnify and shall cause the issuer of the Securities Collateral to indemnify Collateral Agent and all others participating in the distribution of such Securities Collateral against all claims, losses, damages and liabilities caused by any untrue statement (or alleged untrue statement) of a material fact contained therein made or deemed made by such issuer (or in any related registration statement, notification or the like) or by any omission (or alleged omission) to state therein made or deemed made by such issuer (or in any related registration statement, notification or the like) a material fact required to be stated therein by such issuer or necessary to make the statements therein made by or deemed made by such issuer not misleading.

(g) If Collateral Agent determines to exercise its right to sell any or all of the Securities Collateral, upon written request, the applicable Pledgor shall from time to time furnish to Collateral Agent all such information as Collateral Agent may request in order to determine the number of securities included in the Securities Collateral which may be sold by Collateral Agent as exempt transactions under the Securities Act and the rules of the Securities and Exchange Commission thereunder, as the same are from time to time in effect.

Section 13. Application of Proceeds. The proceeds received by Collateral Agent in respect of any sale of, collection from or other realization upon all or any part of the Pledged Collateral pursuant to the exercise by Collateral Agent of its remedies as a secured creditor as provided in Section 12 hereof shall be applied, together with any other sums then held by Collateral Agent pursuant to this Agreement, promptly by Collateral Agent as follows:

First, to the payment of all costs and expenses, fees, commissions and taxes of such sale, collection or other realization, including, without limitation, reasonable compensation to Collateral Agent and its agents and counsel, and all expenses, liabilities and advances made or incurred by Collateral Agent in connection therewith, together with interest on each such amount at the highest rate then in effect under the Credit Agreement from and after the date such amount is due, owing or unpaid until paid in full;

Second, to the payment of all other costs and expenses of such sale, collection or other realization, in-



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REEL: 1726 FRAME: 0285

TRADEMARK

REEL: 008366 FRAME: 0763

cluding, without limitation, reasonable compensation to the Banks and their agents and counsel and all costs, liabilities and advances made or incurred by the Banks in connection therewith, together with interest on each such amount at the highest rate then in effect under the Credit Agreement from and after the date such amount is due, owing or unpaid until paid in full;

Third, without duplication of amounts applied pursuant to clauses First and Second above, to the indefeasible payment in full in cash of interest, principal and other amounts constituting Secured Obligations (other than Interest Rate Obligations) in accordance with the terms of the Credit Agreement;

Fourth, to the indefeasible payment of full in cash pro rata of the Interest Rate Obligations in accordance with the terms of the Interest Rate Agreements; and

Fifth, the balance, if any, to the Person lawfully entitled thereto (including the Pledgors or their respective successors or assigns).

Section 14. Expenses. Each Pledgor will upon demand pay to Collateral Agent the amount of any and all expenses, including the reasonable fees and expenses of its counsel and the fees and expenses of any experts and agents which Collateral Agent may incur in connection with (a) the collection of the Secured Obligations, (b) the enforcement and administration of this Agreement, (c) the custody or preservation of, or the sale of, collection from, or other realization upon, any of the Pledged Collateral, (d) the exercise or enforcement of any of the rights of Collateral Agent or any Secured Party hereunder or (e) the failure by any Pledgor to perform or observe any of the provisions hereof. All amounts payable by any Pledgor under this Section 14 shall be due upon demand and shall be part of the Secured Obligations. Each Pledgor's obligations under this Section 14 shall survive the termination of this Agreement and the discharge of such Pledgor's other obligations hereunder.

Section 15. No Waiver; Cumulative Remedies. (a) No failure on the part of Collateral Agent to exercise, no course of dealing with respect to, and no delay on the part of Collateral Agent in exercising, any right, power or remedy hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any such right, power or remedy hereunder pre-



clude any other or further exercise thereof or the exercise of any other right, power or remedy. The remedies herein provided are cumulative and are not exclusive of any remedies provided by law.

(b) In the event that Collateral Agent shall have instituted any proceeding to enforce any right, power or remedy under this Agreement by foreclosure, sale, entry or otherwise, and such proceeding shall have been discontinued or abandoned for any reason or shall have been determined adversely to Collateral Agent, then and in every such case, the Pledgors, Collateral Agent and each Secured Party shall be restored to their respective former positions and rights hereunder with respect to the Pledged Collateral, and all rights, remedies and powers of Collateral Agent and the Secured Parties shall continue as if no such proceeding had been instituted.

Section 16. Collateral Agent. Collateral Agent has been appointed as collateral agent pursuant to the Credit Agreement. The actions of Collateral Agent hereunder are subject to the provisions of the Credit Agreement. Collateral Agent shall have the right hereunder to make demands, to give notices, to exercise or refrain from exercising any rights, and to take or refrain from taking action (including, without limitation, the release or substitution of Pledged Collateral), in accordance with this Agreement and the Credit Agreement. Collateral Agent may resign and a successor Collateral Agent may be appointed in the manner provided in the Credit Agreement. Upon the acceptance of any appointment as Collateral Agent by a successor Collateral Agent, that successor Collateral Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Collateral Agent under this Agreement, and the retiring Collateral Agent shall thereupon be discharged from its duties and obligations under this Agreement. After any retiring Collateral Agent's resignation, the provisions of this Agreement shall inure to its benefit as to any actions taken or omitted to be taken by it under this Agreement while it was Collateral Agent.

Section 17. Collateral Agent May Perform: Collateral Agent Appointed Attorney-in-Fact. If any Pledgor shall fail to do any act or thing that it has covenanted to do hereunder or if any warranty on the part of any Pledgor contained herein shall be breached, Collateral Agent may (but shall not be obligated to) do the same or cause it to be done or remedy any such breach, and may expend funds for such purpose. Any and all amounts so expended by Collateral Agent shall be paid by the Pledgors promptly upon demand therefor, with interest at the

highest rate then in effect under the Credit Agreement during the period from and including the date on which such funds were so expended to the date of repayment. Each Pledgor's obligations under this Section 17 shall survive the termination of this Agreement and the discharge of such Pledgor's other obligations under this Agreement, the Credit Agreement, any Interest Rate Agreement and the other Credit Documents. Each Pledgor hereby appoints Collateral Agent its attorney-in-fact, with full authority in the place and stead of such Pledgor and in the name of such Pledgor, or otherwise, from time to time in Collateral Agent's discretion to take any action and to execute any instrument consistent with the terms of this Agreement and the other Credit Documents which Collateral Agent may deem necessary or advisable to accomplish the purposes of this Agreement. The foregoing grant of authority is a power of attorney coupled with an interest and such appointment shall be irrevocable for the term of this Agreement. Each Pledgor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof.

Section 18. Indemnity.

(a) Indemnity. Each Pledgor agrees to indemnify, pay and hold harmless Collateral Agent and each of the other Secured Parties and the officers, directors, employees, agents and Affiliates of Collateral Agent and each of the other Secured Parties (collectively, the "Indemnitees") from and against any and all other liabilities, obligations, losses, damages, penalties, actions, judgments, suits, claims, costs (including, without limitation, settlement costs), expenses or disbursements of any kind or nature whatsoever (including, without limitation, the fees and disbursements of counsel for such Indemnitees in connection with any investigative, administrative or judicial proceeding commenced or threatened, whether or not such Indemnitee shall be designated a party thereto) which may be imposed on, incurred by, or asserted against that Indemnitee, in any manner relating to or arising out of this Agreement, any Interest Rate Agreement or any other Credit Document (including, without limitation, any misrepresentation by any Pledgor in this Agreement, any Interest Rate Agreement or any other Credit Document) (the "indemnified liabilities"); provided that no Pledgor shall have any obligation to an Indemnitee hereunder with respect to indemnified liabilities if it has been determined by a final decision (after all appeals and the expiration of time to appeal) of a court of competent jurisdiction that such indemnified liability arose from the gross negligence or willful misconduct of that Indemnitee. To the extent that the undertaking to indemnify, pay and hold harmless

set forth in the preceding sentence may be unenforceable because it is violative of any law or public policy, each Pledgor shall contribute the maximum portion which it is permitted to pay and satisfy under applicable law to the payment and satisfaction of all indemnified liabilities incurred by the Indemnitees or any of them.

(b) Survival. The obligations of the Pledgors contained in this Section 18 shall survive the termination of this Agreement and the discharge of the Pledgors' other obligations under this Agreement, any Interest Rate Agreement and under the other Credit Documents.

(c) Reimbursement. Any amounts paid by any Indemnitee as to which such Indemnitee has the right to reimbursement shall constitute Secured Obligations secured by the Pledged Collateral.

Section 19. Modification in Writing. No amendment, modification, supplement, termination or waiver of or to any provision of this Agreement, nor consent to any departure by any Pledgor therefrom, shall be effective unless the same shall be made in accordance with the terms of the Credit Agreement and unless in writing and signed by Collateral Agent. Any amendment, modification or supplement of or to any provision of this Agreement, any waiver of any provision of this Agreement and any consent to any departure by any Pledgor from the terms of any provision of this Agreement shall be effective only in the specific instance and for the specific purpose for which made or given. Except where notice is specifically required by this Agreement or any other Credit Document, no notice to or demand on any Pledgor in any case shall entitle any Pledgor to any other or further notice or demand in similar or other circumstances.

Section 20. Termination; Release. When all the Secured Obligations have been paid in full and the Commitments of the Banks to make any Loan or to issue any Letter of Credit under the Credit Agreement shall have expired or been sooner terminated, this Agreement shall terminate. Upon termination of this Agreement or any release of Pledged Collateral in accordance with the provisions of the Credit Agreement, Collateral Agent shall, upon the request and at the sole cost and expense of the Pledgors, forthwith assign, transfer and deliver to Pledgor, against receipt and without recourse to or warranty by Collateral Agent, such of the Pledged Collateral to be released (in the case of a release) as may be in possession of Collateral Agent and as shall not have been sold or otherwise applied

pursuant to the terms hereof, and, with respect to any other Pledged Collateral, proper instruments (including UCC termination statements on Form UCC-3) acknowledging the termination of this Agreement or the release of such Pledged Collateral, as the case may be.

Section 21. Notices. Unless otherwise provided herein or in the Credit Agreement, any notice or other communication herein required or permitted to be given shall be given in the manner set forth in the Credit Agreement, as to any Pledgor, addressed to it at the address of the Borrower set forth in the Credit Agreement and as to Collateral Agent, addressed to it at the address set forth in the Credit Agreement, or in each case at such other address as shall be designated by such party in a written notice to the other party complying as to delivery with the terms of this Section 21; provided that notices to Collateral Agent shall not be effective until received by Collateral Agent.

Section 22. Continuing Security Interest; Assignment. This Agreement shall create a continuing security interest in the Pledged Collateral and shall (i) be binding upon the Pledgors, their respective successors and assigns and (ii) inure, together with the rights and remedies of Collateral Agent hereunder, to the benefit of Collateral Agent and the other Secured Parties and each of their respective successors, transferees and assigns; no other Persons (including, without limitation, any other creditor of any Pledgor) shall have any interest herein or any right or benefit with respect hereto. Without limiting the generality of the foregoing clause (ii), any Bank may assign or otherwise transfer any indebtedness held by it secured by this Agreement to any other Person, and such other Person shall thereupon become vested with all the benefits in respect thereof granted to such Bank, herein or otherwise, subject however, to the provisions of the Credit Agreement and any applicable Interest Rate Agreement. Each Affiliate of the Borrower which from time to time after the initial date of this Agreement is required under the Credit Agreement to pledge any assets to Collateral Agent for the benefit of the Secured Parties may become a party hereto upon execution and delivery to Collateral Agent of a joinder agreement substantially in the form attached hereto as Exhibit 3, and upon such execution and delivery shall be deemed to be a "Guarantor" and a "Pledgor" for all purposes hereunder.

Section 23. GOVERNING LAW; TERMS. THIS AGREEMENT SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, EXCLUDING

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REEL: 1726 FRAME: 0290

TRADEMARK  
REEL: 008366 FRAME: 0768

(TO THE GREATEST EXTENT PERMITTED BY LAW) ANY RULE OF LAW THAT WOULD CAUSE THE APPLICATION OF THE LAWS OF ANY JURISDICTION OTHER THAN THE STATE OF NEW YORK, EXCEPT TO THE EXTENT THAT THE VALIDITY OR PERFECTION OF THE SECURITY INTEREST HEREUNDER, OR REMEDIES HEREUNDER, IN RESPECT OF ANY PARTICULAR PROPERTY, ARE GOVERNED BY THE LAWS OF A JURISDICTION OTHER THAN THE STATE OF NEW YORK.

Section 24. CONSENT TO JURISDICTION AND SERVICE OF PROCESS. ALL JUDICIAL PROCEEDINGS BROUGHT AGAINST ANY PLEDGOR WITH RESPECT TO THIS AGREEMENT MAY BE BROUGHT IN ANY STATE OR FEDERAL COURT OF COMPETENT JURISDICTION IN THE STATE OF NEW YORK, AND BY EXECUTION AND DELIVERY OF THIS AGREEMENT, EACH PLEDGOR ACCEPTS FOR ITSELF AND IN CONNECTION WITH ITS PROPERTIES, GENERALLY AND UNCONDITIONALLY, THE NONEXCLUSIVE JURISDICTION OF THE AFORESAID COURTS AND IRREVOCABLY AGREES TO BE BOUND BY ANY JUDGMENT RENDERED THEREBY IN CONNECTION WITH THIS AGREEMENT. EACH PLEDGOR DESIGNATES AND APPOINTS LEXIS DOCUMENT SERVICES INC. WITH AN ADDRESS AT 150 EAST 58TH STREET, 25TH FLOOR, NEW YORK, NEW YORK 10155 AND SUCH OTHER PERSONS AS MAY HEREAFTER BE SELECTED BY SUCH PLEDGOR IRREVOCABLY AGREEING IN WRITING TO SO SERVE, AS ITS AGENT TO RECEIVE ON ITS BEHALF, SERVICE OF ALL PROCESS IN ANY SUCH PROCEEDING, SUCH SERVICE BEING HEREBY ACKNOWLEDGED BY SUCH PLEDGOR TO BE EFFECTIVE AND BINDING SERVICE IN EVERY RESPECT. A COPY OF SUCH PROCESS SO SERVED SHALL BE MAILED BY REGISTERED MAIL TO EACH PLEDGOR AT THE ADDRESS OF THE BORROWER PROVIDED FOR IN THE CREDIT AGREEMENT EXCEPT THAT UNLESS OTHERWISE PROVIDED BY APPLICABLE LAW, ANY FAILURE TO MAIL SUCH COPY SHALL NOT AFFECT THE VALIDITY OF SERVICE OF PROCESS. IF ANY AGENT APPOINTED BY ANY PLEDGOR REFUSES TO ACCEPT SERVICE, SUCH PLEDGOR HEREBY AGREES THAT SERVICE UPON IT BY MAIL SHALL CONSTITUTE SUFFICIENT NOTICE. NOTHING HEREIN SHALL AFFECT THE RIGHT TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR SHALL LIMIT THE RIGHT OF COLLATERAL AGENT TO BRING PROCEEDINGS AGAINST ANY PLEDGOR IN THE COURTS OF ANY OTHER JURISDICTION.

Section 25. Severability of Provisions. Any provision of this Agreement which is 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 hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

Section 26. Execution in Counterparts. This Agreement and any amendments, waivers, consents or supplements hereto may be executed in any number of counterparts and by

different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original, but all such counterparts together shall constitute one and the same agreement.

Section 27. Headings. The Section headings used in this Agreement are for convenience of reference only and shall not affect the construction of this Agreement.

Section 28. Obligations Absolute. All obligations of each Pledgor hereunder shall be absolute and unconditional irrespective of:

(i) any bankruptcy, insolvency, reorganization, arrangement, readjustment, composition, liquidation or the like of any Pledgor or any other Credit Party;

(ii) any lack of validity or enforceability of the Credit Agreement, any Interest Rate Agreement, any Letter of Credit or any other Credit Document, or any other agreement or instrument relating thereto;

(iii) any change in the time, manner or place of payment of, or in any other term of, all or any of the Secured Obligations, or any other amendment or waiver of or any consent to any departure from the Credit Agreement, any Interest Rate Agreement, any Letter of Credit or any other Credit Document, or any other agreement or instrument relating thereto;

(iv) any exchange, release or non-perfection of any other collateral, or any release or amendment or waiver of or consent to any departure from any guarantee, for all or any of the Secured Obligations;

(v) any exercise, non-exercise or waiver of any right, remedy, power or privilege under or in respect of this Agreement, any Interest Rate Agreement or any other Credit Document except as specifically set forth in a waiver granted pursuant to the provisions of Section 19 hereof; or

(vi) any other circumstances which might otherwise constitute a defense available to, or a discharge of, any Pledgor.

Section 29. Collateral Agent's Right to Sever Indebtedness. (a) Each Pledgor acknowledges that (i) the

Pledged Collateral does not constitute the sole source of security for the payment and performance of the Secured Obligations and that the Secured Obligations are also secured by other types of property of the Pledgors in other jurisdictions (all such property, collectively, the "Collateral"), (ii) the number of such jurisdictions and the nature of the transaction of which this instrument is a part are such that it would have been impracticable for the parties to allocate to each item of Collateral a specific loan amount and to execute in respect of such item a separate credit agreement and (iii) each Pledgor intends that Collateral Agent have the same rights with respect to the Pledged Collateral, in any judicial proceeding relating to the exercise of any right or remedy hereunder or otherwise, that Collateral Agent would have had if each item of Collateral had been pledged or encumbered pursuant to a separate credit agreement and security instrument. In furtherance of such intent, each Pledgor agrees to the greatest extent permitted by law that Collateral Agent may at any time by notice (an "Allocation Notice") to such Pledgor allocate a portion of the Secured Obligations (the "Allocated Indebtedness") to all or a specified portion of the Pledged Collateral and sever from the remaining Secured Obligations the Allocated Indebtedness. From and after the giving of an Allocation Notice with respect to any of the Pledged Collateral, the Secured Obligations hereunder shall be limited to the extent set forth in the Allocation Notice and (as so limited) shall, for all purposes, be construed as a separate credit obligation of such Pledgor unrelated to the other transactions contemplated by the Credit Agreement, any Interest Rate Agreement, any other Credit Document or any document related to any thereof. To the extent that the proceeds of any judicial proceeding relating to the exercise of any right or remedy hereunder of the Pledged Collateral shall exceed the Allocated Indebtedness, such proceeds shall belong to such Pledgor and shall not be available hereunder to satisfy any Secured Obligations of such Pledgor other than the Allocated Indebtedness. In any action or proceeding to exercise any right or remedy under this Agreement which is commenced after the giving by Collateral Agent of an Allocation Notice, the Allocation Notice shall be conclusive proof of the limits of the Secured Obligations hereby secured, and such Pledgor may introduce, by way of defense or counterclaim, evidence thereof in any such action or proceeding. Notwithstanding any provision of this Section 29, the proceeds received by Collateral Agent pursuant to this Agreement shall be applied by Collateral Agent in accordance with the provisions of Section 13 hereof.

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REEL: 1726 FRAME: 0293

TRADEMARK

REEL: 008366 FRAME: 0771

(b) Each Pledgor hereby waives to the greatest extent permitted under law the right to a discharge of any of the Secured Obligations under any statute or rule of law now or hereafter in effect which provides that the exercise of any particular right or remedy as provided for herein (by judicial proceedings or otherwise) constitutes the exclusive means for satisfaction of the Secured Obligations or which makes unavailable any further judgment or any other right or remedy provided for herein because Collateral Agent elected to proceed with the exercise of such initial right or remedy or because of any failure by Collateral Agent to comply with laws that prescribe conditions to the entitlement to such subsequent judgment or the availability of such subsequent right or remedy. In the event that, notwithstanding the foregoing waiver, any court shall for any reason hold that such subsequent judgment or action is not available to Collateral Agent, no Pledgor shall (i) introduce in any other jurisdiction any judgment so holding as a defense to enforcement against such Pledgor of any remedy in the Credit Agreement, any Interest Rate Agreement or any other Credit Document or (ii) seek to have such judgment recognized or entered in any other jurisdiction, and any such judgment shall in all events be limited in application only to the state or jurisdiction where rendered and only with respect to the collateral referred to in such judgment.

(c) In the event any instrument in addition to the Allocation Notice is necessary to effectuate the provisions of this Section 29, including, without limitation, any amendment to this Agreement, any substitute promissory note or affidavit or certificate of any kind, Collateral Agent may execute and deliver such instrument as the attorney-in-fact of any Pledgor. Such power of attorney is coupled with an interest and is irrevocable.

(d) Notwithstanding anything set forth herein to the contrary, the provisions of this Section 29 shall be effective only to the maximum extent permitted by law.

Section 30. Future Advances. This Agreement shall secure the payment of any amounts advanced from time to time pursuant to the Credit Agreement.

Section 31. Intercreditor Agreement. Notwithstanding any provision of this Agreement to the contrary, this Agreement shall be subject to the provisions of that certain intercreditor agreement, dated as of the date hereof (as amended, amended and restated, supplemented or otherwise modified from time to time, the "Intercreditor Agreement"), among



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REEL: 1726 FRAME: 0294

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REEL: 008366 FRAME: 0772



Collateral Agent and Reliance Surety Company, United Pacific  
Insurance Company, Reliance National Indemnity Company and Re-  
liance Insurance Company.

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REEL: 1726 FRAME: 0295

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REEL: 008366 FRAME: 0773

IN WITNESS WHEREOF, the Pledgors and Collateral Agent have caused this Agreement to be duly executed and delivered by their duly authorized officers as of the date first above written.

MORRIS MATERIAL HANDLING, INC.,  
as Pledgor

By: *M J*  
Name:  
Title:

CMH MATERIAL HANDLING, LLC,  
as Pledgor

By: *M J*  
Name:  
Title:

EPH MATERIAL HANDLING, LLC,  
as Pledgor

By: *M J*  
Name:  
Title:

HARNISCHFEGER DISTRIBUTION &  
SERVICE, LLC,  
as Pledgor

By: *M J*  
Name:  
Title:

HPH MATERIAL HANDLING, LLC,  
as Pledgor

By: *M J*  
Name:  
Title:

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REEL: 1726 FRAME: 0296

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REEL: 008366 FRAME: 0774



MMH HOLDINGS, INC.,  
as Pledgor

By: *[Signature]*  
Name:  
Title:

MORRIS MATERIAL HANDLING, LLC,  
as Pledgor

By: *[Signature]*  
Name:  
Title:

MORRIS MECHANICAL HANDLING, INC.,  
as Pledgor

By: *[Signature]*  
Name:  
Title:

MPH CRANE, INC.,  
as Pledgor

By: *[Signature]*  
Name:  
Title:


NPH MATERIAL HANDLING, INC.,  
as Pledgor

By: *[Signature]*  
Name:  
Title:

PHMH HOLDING COMPANY,  
as Pledgor



MATERIAL HANDLING EQUIPMENT NE-  
VADA CORPORATION,  
as Pledgor

By:   
Name: PATRICK C. DOAN  
Title: PRESIDENT

MATERIAL HANDLING, LLC,  
as Pledgor

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

MHE TECHNOLOGIES, INC.,  
as Pledgor

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

MMH HOLDINGS, INC.,  
as Pledgor

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

MORRIS MATERIAL HANDLING, LLC,  
as Pledgor

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

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MATERIAL HANDLING EQUIPMENT NE-  
VADA CORPORATION,  
as Pledgor

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

MATERIAL HANDLING, LLC,  
as Pledgor

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

MHE TECHNOLOGIES, INC.,  
as Pledgor

By: *[Signature]*  
Name:  
Title:

MMH HOLDINGS, INC.,  
as Pledgor

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

MORRIS MATERIAL HANDLING, LLC,  
as Pledgor

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



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MORRIS MECHANICAL HANDLING, INC.,  
as Pledgor

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

MPH CRANE, INC.,  
as Pledgor

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

NPH MATERIAL HANDLING, INC.,  
as Pledgor

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

PHMH HOLDING COMPANY,  
as Pledgor

By: *Julius Hall*  
Name:  
Title:

PMHE SERVICE, INC.,  
as Pledgor

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

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FORM OF NOTARY ACKNOWLEDGEMENT

STATE OF Delaware )  
COUNTY OF New Castle ) ss.:

On this 21<sup>st</sup> day of March, 1998 before me appeared Tom P. Gargano, Jr., to me personally known, who being by me duly sworn, did say that s/he is the President of the Trustees of a Corporation and that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors, and said acknowledged said instrument to be the free act and deed of said Corporation.

IN WITNESS WHEREOF, I have hereunder set my hand and affixed my notarial seal at my office in New Castle County, State of Delaware, the day and year last above written.

[NOTARY SEAL]

[Signature]  
Notary Public

My Commission Expires:

December 9 2001

Notary's Printed Name:

Msgr. Anne Arvey

Note: Notary form to be executed by each Pledgor that is pledging any Intellectual Property Collateral.



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Prior Liens

DEBTOR NAME: BIRMINGHAM CRANE & HOIST,  
INC.

JURISDICTION: AL - STATE OF ALABAMA

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FILE NUMBER: 92-23984 Original to 92-23984  
FILE DATE: JULY 6, 1992  
SECURED PARTY: AMSOUTH BANK, N.A.

FILE NUMBER: 92-23984 Continuation to 92-23984  
FILE DATE: JUNE 9, 1997  
SECURED PARTY: AMSOUTH BANK OF ALABAMA

FILE NUMBER: 92-23985 Original to 92-23985  
FILE DATE: JULY 6, 1992  
SECURED PARTY: AMSOUTH BANK N.A.

FILE NUMBER: 92-23985 Continuation to 92-23985  
FILE DATE: JUNE 9, 1997  
SECURED PARTY: AMSOUTH BANK OF ALABAMA

FILE NUMBER: 96-22125 Original to 96-22125  
FILE DATE: MAY 23, 1996  
SECURED PARTY: NATIONAL BANK OF COMMERCE OF BIRMINGHAM

FILE NUMBER: 96-22126 Original to 96-22126  
FILE DATE: MAY 23, 1996  
SECURED PARTY: NATIONAL BANK OF COMMERCE OF BIRMINGHAM

FILE NUMBER: 96-26124 Original to 96-26124  
FILE DATE: JUNE 20, 1996  
SECURED PARTY: NATIONAL BANK OF COMMERCE OF BIRMINGHAM

FILE NUMBER: 96-26124 Release to 96-26124  
FILE DATE: NOVEMBER 25, 1996  
SECURED PARTY: FIRST COMMERCIAL BANK

FILE NUMBER: 96-38721 Original to 96-38721  
FILE DATE: SEPTEMBER 18, 1996  
SECURED PARTY: FIRST COMMERCIAL BANK



FILE NUMBER: 96-38723 Original to 96-38723  
FILE DATE: SEPTEMBER 18, 1996  
SECURED PARTY: FIRST COMMERCIAL BANK

FILE NUMBER: 96-53662 Original to 96-53662  
FILE DATE: DECEMBER 26, 1996  
SECURED PARTY: FIRST COMMERCE LEASING CORP.

FILE NUMBER: 96-53662 Release to 96-53662  
FILE DATE: MARCH 11, 1997  
SECURED PARTY: FIRST COMMERCIAL BANK

FILE NUMBER: 97-34158 Original to 97-34158  
FILE DATE: AUGUST 14, 1997  
SECURED PARTY: FIRST COMMERCIAL BANK

FILE NUMBER: 98-07668 Original to 98-07668  
FILE DATE: FEBRUARY 24, 1998  
SECURED PARTY: FIRST COMMERCIAL BANK

718163/015-kwt

TRADEMARK  
REEL: 1726 FRAME: 0305

TRADEMARK  
REEL: 008366 FRAME: 0783



DEBTOR NAME: BIRMINGHAM CRANE & HOIST,  
INC.

JURISDICTION: AL - JEFFERSON COUNTY (BIRMINGHAM DIVISION)  
PROBATE COURT

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FILE NUMBER: 662047 Original to 662047  
FILE DATE: JULY 1, 1992  
SECURED PARTY: AMSOUTH BANK N.A.

FILE NUMBER: 9706/8655 Continuation to 662047  
FILE DATE: JUNE 5, 1997  
SECURED PARTY: AMSOUTH BANK OF ALABAMA

FILE NUMBER: 9413/8775 Original to 9413/8775  
FILE DATE: DECEMBER 1, 1994  
SECURED PARTY: FIRST ALABAMA BANK

718163/015-kwt



TRADEMARK  
REEL: 1726 FRAME: 0306

TRADEMARK  
REEL: 008366 FRAME: 0784



Feb. 24, 1998

UCC Search Report

Page 1

Secretary of State of Ohio effective Jan. 21, 1998  
State of Ohio UCC Debtor Name Search results performed on the following  
Search Key :

Name = EPH MATERIAL H  
Exp./Term. Liens = No

1. AL65494 Original UCC1 filed on Feb. 24, 1995 at 0900 Film# 1539-2466-  
expires on Feb. 24, 2000

Orig DB EPH MATERIAL HANDLING  
26210 EMERY RD  
DIV OF HARNISCHFEGER CORPORATION  
WARRENSVILLE HEIGHTS OH 44128

Orig SP HYSTER CREDIT COMPANY  
PO BOX 4366  
PORTLAND OR 97208

TRADEMARK  
REEL: 1726 FRAME: 0307

TRADEMARK  
REEL: 008366 FRAME: 0785



DEBTOR NAME: EPH MATERIAL HANDLING

JURISDICTION: OH - CUYAHOGA COUNTY RECORDER

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FILE NUMBER: 1305422 Original to 1305422  
FILE DATE: FEBRUARY 24, 1995  
SECURED PARTY: QUIMBY MATERIAL HANDLING, INC.

718163/135-kwt

 TRADEMARK  
REEL: 1726 FRAME: 0308

TRADEMARK  
REEL: 008366 FRAME: 0786



Feb. 25, 1998

UCC Search Report

Page 1

Secretary of State of Ohio effective Jan. 21, 1998  
State of Ohio UCC Debtor Name Search results performed on the following  
Search Key :

Name = MPH CRANE  
Exp./Term. Liens = No

AK35171 Original UCC1 filed on July 26, 1993 at 0900 Film# 1432-0630-  
expires on July 26, 1998

Orig DB MPH CRANE INC  
7660 W ST RT 35  
DAYTON OH 45427

Orig DB NATIONAL EQUIPMENT WHOLESALE  
7660 W ST RT 35  
DAYTON OH 45427

Orig SP LANDOLL CORPORATION  
1900 NORTH ST  
PO BOX 111  
MARYSVILLE KS 66508

AL49566 Original UCC1 filed on Dec. 16, 1994 at 0900 Film# 1527-2301-  
expires on Dec. 16, 1999



TRADEMARK  
REEL: 1726 FRAME: 0309

TRADEMARK  
REEL: 008366 FRAME: 0787



Feb. 25, 1998

UCC Search Report

Page 2

State of Ohio UCC Debtor Name Search results performed on the following  
Search Key :

Name = MPH CRANE  
Exp./Term. Liens = No

Orig DB MPH CRANE INC  
7660 W THIRD ST  
DAYTON OH 45427

Orig SP AT & T CAPITAL LEASING SERVICES INC  
550 COCHITUATE RD  
PO BOX 9104  
FRAMINGHAM MA 01701

AM99803 Original UCC1 filed on Sept 3, 1996 at 0900 Film# 1625-2623-  
expires on Sept 3, 2001

Orig DB MPH CRANE INC  
213 INDUSTRIAL DR  
FRANKLIN OH 45005

Because we cannot independently verify the accuracy of the public information maintained by the responsible government agency, we make no guaranties, representations, or warranties as to the accuracy or completeness of this report. Therefore, we accept no liability for errors or omissions.

TRADEMARK  
REF: 1726 FRAME: 0310

TRADEMARK  
REEL: 008366 FRAME: 0788





Feb. 25, 1998

UCC Search Report

Page 3

State of Ohio UCC Debtor Name Search results performed on the following  
Search Key :

Name = MPH CRANE  
Exp./Term. Liens = No

Orig SP FIRST UNITED LEASING CORP  
100 N CORPORATE  
BANNOCKBURN IL 60015

AN43755 Original UCC1 filed on Feb. 27, 1997 at 0900 Film# 1652-3077-  
expires on Feb. 27, 2002

Orig DB MPH CRANE INC  
213 INDUSTRIAL DR  
FRANKLIN OH 45505

Orig SP MELLON FIRST UNITED LEASING  
100 N CORPORATE  
BANNOCKBURN IL 60015

Because we cannot independently verify the accuracy of the public information maintained by the responsible government agency, we make no guaranties, representations, or warranties as to the accuracy or completeness of this report. Therefore, we accept no liability for errors or omissions.

TRADEMARK  
REEL: 1726 FRAME: 0311

TRADEMARK  
REEL: 008366 FRAME: 0789



DEBTOR NAME: MPH CRANE, INC.

JURISDICTION: OH - WARREN COUNTY COURT OF COMMON PLEAS

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CASE NUMBER: 95CVF9225  
FILE DATE: AUGUST 23, 1996  
PLAINTIFF: MAIN PARTS AUTO  
AMOUNT: \$1,101.89 +

718163/020-020

TRADEMARK  
REEL: 1726 FRAME: 0312

TRADEMARK  
REEL: 008366 FRAME: 0790



DEBTOR NAME: NPH MATERIAL HANDLING INC.

JURISDICTION: MI - STATE OF MICHIGAN

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FILE NUMBER: D287851 Original to D287851  
FILE DATE: OCTOBER 3, 1997  
SECURED PARTY: ERVIN LEASING COMPANY

FILE NUMBER: D321642 Original to D321642  
FILE DATE: JANUARY 2, 1998  
SECURED PARTY: IKON OFFICE SOLUTIONS

718163/040-kwt

TRADEMARK  
REEL: 1726 FRAME: 0313

TRADEMARK  
REEL: 008366 FRAME: 0791

Annex B

Locations of Pledgors

<b>Pledgor</b>	<b>Tax ID</b>	<b>Chief Executive Office</b>	<b>Other Locations</b>
Birmingham Crane & Hoist, Inc.	63-0932648	Birmingham, AL 25 West Park Circle Birmingham, AL 35211	Nashville, TN Music Park Office Bldg. 107 Music City Circle Nashville, TN 37214  Roswell, GA 570 Colonial Park Drive, Suite 303 Roswell, GA 30075  Wills Point, TX
CMH Material Handling, LLC	39-1836554	Mauldin, SC 303 Greer Drive Mauldin, SC 29662	Charlotte, NC 4732 Lebanon Road Charlotte, NC 28227
EPH Material Handling, LLC	39-1836620	Cranberry Township, PA 290 Executive Drive Cranberry Twp., PA 16066	Amherst, NH 13 Columbia Drive, Unit 7 Amherst, NH 03031  Cleveland, OH 7670 First Place, Suite 11 Cleveland, OH 44146
Harnischfeger Distribution & Service, LLC	39-1836557	N/A	N/A
HPH Material Handling, LLC	39-1836624	Waukesha, WI S40 W/24160 Rockwood Way Waukesha, WI 53186	Buffalo Grove, Ill (2 Sites) 1544 Barclay Boulevard Buffalo Grove, Ill 60089

Pledgor	Tax ID	Chief Executive Office	Other Locations
Material Handling, I.J.C.	39-1909984	Oak Creek, WI 315 West Forest Hill Ave. Oak Creek, WI 53154	Milwaukee, WI 4915 South Howell Ave. Milwaukee, WI  Milwaukee, WI 2969 South Chase Avenue Milwaukee, WI 53207  Windsor, WI 4401 State Highway 19 Windsor, WI 53598
Material Handling Equipment Nevada Corporation	88-0376697	N/A	N/A
MHE Technologies, Inc.	52-2058706	N/A	N/A
MMH Holdings, Inc.	39-1716155	N/A	N/A
Morris Material Handling, Inc.	39-1924039	N/A	N/A
Morris Material Handling, LLC	N/A	N/A	N/A
Morris Mechanical Handling, Inc.	94-3203134	San Leandro, CA 3077 Teagarden Street San Leandro, CA 94577	Lynnwood, WA 2027 196 Street, S.W. Lynnwood, WA 98036  Phoenix, AZ 3108 West Thomas Phoenix, AZ 85017  Vancouver, WA 400 E. Evergreen Blvd. Vancouver, WA 98660  Las Vegas, Nevada

Pledgor	Tax ID	Chief Executive Office	Other Locations
MPH Crane, Inc.	31-1075991	Franklin, OH 213 Industrial Drive Franklin, OH 45006	Cincinnati, OH 10270 Spartan Drive Cincinnati, OH 45215  Columbus, OH 1520 Harmon Plaza Columbus, OH 43223  Louisville, KY 3600 Chamberlain, Suite 352 Louisville, KY 40241
NPH Material Handling, Inc.	39-1836621	Madison Heights, MI 25353 Dequindre Road Madison Heights, MI 40071	Roseville, MI 15985 Sturgeon Roseville, MI 48066  Wayland, MI 1115 142 Avenue Wayland, MI 49348 N/A
PHME Service, Inc.	39-1836623	N/A	N/A
PHMH Holding Company	52-2013056	N/A	N/A
SPH Crane & Hoist, Inc.	75-2752978	Garland, TX 2920 National Court Garland, TX 75041	Denver, CO 6803-B E. 47th Avenue Drive Denver, CO 80216  Houston, TX 9700 B Wallisville Road Houston, TX 77013  Harvey, LA 1901 Industrial Blvd., #B Harvey, LA 70058  Tulsa, OK 9526-C E. 54th Street Tulsa, OK 74145

Annex B

Page 3 of 3

TRADEMARK  
REEL: 1726 FRAME: 0316

TRADEMARK  
REEL: 008366 FRAME: 0794

**Schedule I-A  
Pledged Shares**

<b>Pledgor</b>	<b>Issuer</b>	<b>Class</b>	<b>Certificate #</b>	<b>No. of Shares</b>	<b>Percentage</b>
PHMH Holding Company	Birmingham Crane & Hoist, Inc.	Common	10	10,000	100%
PHMI Holding Company	Material Handling Equipment Nevada Corporation	Common	6	10	100%
PHMI Holding Company	MHE Technologies, Inc.	Common	2	100	100%
PHMI Holding Company	MPI Crane, Inc.	Class A (voting) Class B (nonvoting)	4A 4B	50 450	100%
PHMI Holding Company	PHME Service, Inc.	Common	2	100	100%
PHMH Holding Company	SPH Crane & Hoist, Inc.	Common	2	100	100%
PHMH Holding Company	Morris Blooma (Pte) Limited <sup>1</sup>				65%
PHMH Holding Company	P&H Middle East, Limited	Ordinary	2	1	65%
PHMH Holding Company	Hercules S.A. de C.V. <sup>2</sup>				99%

<sup>1</sup> The Banks have been advised that the pledge of these shares will be ineffective under Singapore law.

<sup>2</sup> The Banks have been advised that the pledge of these shares shall not occur until after the Closing of the Credit Agreement. The pledge shall occur after the Pledgor has acquired these shares pursuant to the Recapitalization Agreement.



TRADEMARK

REEL: 1726 FRAME: 0317

TRADEMARK

REEL: 008366 FRAME: 0795

Schedule I-A  
Pledged Shares

Pledgor	Issuer	Class	Certificate #	No. of Shares	Percentage
MMH Holdings, Inc.	Morris Material Handling, Inc.	Common	1	10	100%
			2	190	

TRADEMARK  
 REEL: 1726 FRAME: 0318

TRADEMARK  
 REEL: 008366 FRAME: 0796



**Schedule I-A**  
**Pledged Shares**

Pledgor	Issuer	Class	Certificate #	No. of Shares	Percentage
MMIH International Limited	Morris Mechanical Handling, Inc.	Common	1	1,000	100%

TRADEMARK

REEL: 1726 FRAME: 0319

TRADEMARK

REEL: 008366 FRAME: 0797

**Schedule I-A  
Pledged Shares**

<b>Pledgor</b>	<b>Issuer</b>	<b>Class</b>	<b>Certificate #</b>	<b>No. of Shares</b>	<b>Percentage</b>
Material Handling Equipment Nevada Corporation	NPH Material Handling, Inc.	Common	3	98,0001	98.0001%

TRADEMARK  
REEL 1726 FRAME: 0320

TRADEMARK  
REEL: 008366 FRAME: 0798

Schedule I-A  
Pledged Shares

Pledgor	Issuer	Class	Certificate #	No. of Shares	Percentage
PHME Service, Inc.	NPII Material Handling, Inc.	Common	4	1.9999	1.99999%

1

TRADEMARK  
 REEL: 1726 FRAME: 0321

TRADEMARK  
 REEL: 008366 FRAME: 0799

**Schedule I-A  
Pledged Shares**

<b>Pledgor</b>	<b>Issuer</b>	<b>Class</b>	<b>Certificate #</b>	<b>No. of Shares</b>	<b>Percentage</b>
Morris Material Handling, Inc.	PEMH Holding Company	Class A Voting Class B Voting		350 50 250	100.0%
Morris Material Handling, Inc.	Morris Material Handling, Ltd.				100.0%
Morris Material Handling, Inc.	Hercules S.A. de C.V.*				1.0%
Morris Material Handling, Inc.	RedCrown, LLC				0.1%
Morris Material Handling, Inc.	MHE Canada, LLC				100.0%

\* The Banks have been advised that the pledge of these shares shall not occur until after the Closing of the Credit Agreement. The pledge shall occur after the Pledgor has acquired these shares pursuant to the Recapitalization Agreement.

**Schedule I-B**  
**Pledged Interests**

<b>Pledgor</b>	<b>Issuer</b>	<b>Certificate #</b>	<b>Percentage</b>
PHME Service, Inc.	CMH Material Handling, LLC	1	1.00%
PHMI Service, Inc.	IPH Material Handling, LLC	1	1.00%
PHME Service, Inc.	Hamischleger Distribution & Service, LLC	1	1.01%
PHME Service, Inc.	IPH Material Handling, LLC	1	1.00%

TRADEMARK  
REEL: 1726 FRAME: 0323

TRADEMARK  
REEL: 008366 FRAME: 0801

**Schedule I-B**  
**Pledged Interests**

<b>Pledgor</b>	<b>Issuer</b>	<b>Certificate #</b>	<b>Percentage</b>
Harnischfeger Distribution & Service, LLC	CMH Material Handling, LLC	2	99%
Harnischfeger Distribution & Service, LLC	EPH Material Handling, LLC	2	99%
Harnischfeger Distribution & Service, LLC	IIPH Material Handling, LLC	2	99%

TRADEMARK  
REEL: 1726 FRAME: 0324

TRADEMARK  
REEL: 008366 FRAME: 0802

**Schedule I-B  
Pledged Interests**

<b>Pledgor</b>	<b>Issuer</b>	<b>Certificate #</b>	<b>Percentage</b>
Material Handling Equipment Nevada Corporation	Harnischfeger Distribution & Service, LLC	2	98.99%

TRADEMARK  
REEL: 1726 FRAME: 0325

TRADEMARK  
REEL: 008366 FRAME: 0803

**Schedule I-B  
Pledged Interests**

<b>Pledgor</b>	<b>Issuer</b>	<b>Certificate #</b>	<b>Percentage</b>
Morris Material Handling, Inc.	Material Handling, LLC	1	100.0%

TRADEMARK  
REEL: 1726 FRAME: 0326

TRADEMARK  
REEL: 008366 FRAME: 0804



Schedule II

Intercompany Notes

	Holder	Issuer	Amount	Date	Note #
1.	Morris Material Handling, Inc.	Morris Material Handling, Ltd.	£48,061,643	3/25/98	MHE-207 <sup>1</sup>
2.	Material Handling, LLC	Morris Blooma Pte Ltd.	SGD 795,368.86	3/14/88	285A <sup>2</sup>
3.	Material Handling, LLC	Kaverit Steel & Crane ULC	C\$ 843,446.71	3/26/97	385A
4.	Material Handling, LLC	Morris Mechanical Handling, Inc.	\$2,615,659.08	12/23/94	164A
5.	Material Handling, LLC	Hercules S.A. de C.V.	\$200,000	8/5/94	123A
6.	Material Handling, LLC	Hercules S.A. de C.V.	\$976,236.41	7/22/94	196A
7.	Material Handling, LLC	Hercules S.A. de C.V.	\$108,470.71	7/22/94	197A
8.	Material Handling, LLC	Hercules S.A. de C.V.	\$100,000	7/22/95	183A
9.	PHMH Holding Company	MHP Crane, Inc.	\$4,007,046.90	2/14/97	381
10.	Material Handling, LLC	Mondel ULC	C\$ 1,100,000	10/24/97	436
11.	Material Handling, LLC	Mondel ULC	C\$ 598,873	10/24/97	438
12.	Material Handling, LLC	Kaverit Steel & Crane ULC	C\$ 1,700,000	10/24/97	437
13.	Material Handling, LLC	Kaverit Steel & Crane ULC	C\$ 1,892,726.74	10/24/97	439

<sup>1</sup> The Banks acknowledge that they were presented with a photocopy of this Note at Closing, and that the original Note will be delivered to Banks' Counsel after the Closing of the Credit Agreement

<sup>2</sup> The Banks acknowledge that the Note is presently in Singapore and will be delivered to Banks' Counsel after the Closing of the Credit Agreement.



TRADEMARK

REEL: 1726 FRAME: 0327

TRADEMARK

REEL: 008366 FRAME: 0805

**SCHEDULE III  
PATENTS**

<u>NUMBER</u>	<u>ENTRY</u>	<u>PATENT#</u>	<u>FILED</u>	<u>TITLE</u>
1341	USA	4263996	10/1/79	READILY RESETTABLE TORQUE-LIMITING COUPLING DEVICE
1343	USA	4275803	10/1/79	LOAD BRAKE
1347	USA	4316528	3/11/80	MECHANISM FOR LATCHINGLY CONNECTING TELESCOPING MEMBERS
1356	USA	4375936	8/18/80	STACKER CRANE FOR MOVEMENT OF COILS
1357	USA	4376487	1/22/81	ANTI-SWAY, ANTI-ROTATION MECHANISM FOR CRANE REEVEING
1701	USA	4523887	4/6/83	Slacker crane for narrow aisles comprises inverted U shape carriage with legs engaged along inner sides of mast and receiving rollers of shuttle frame
1370	USA	4538954	12/1/83	STACKER CRANE HAVING NARROW MAST STRUCTURE
1164	USA	4820946	5/19/88	ELECTROMAGNETIC BRAKE
1174	USA	4890750	12/9/88	PORTAL CRANE
1175	USA	4892203	10/5/88	HOIST SWIVEL SUPPORT HAVING SWIVELABLE SURFACE AND BEARING INSERTS
1177	USA	4911313	12/9/88	LINKAGE LIFTING APPARATUS; IN A CRANE FOR LIFTING AN OBJECT
1178	USA	4911606	6/9/89	METHOD FOR PROVIDING ROTOR WINDINGS

TRADEMARK  
REEL: 1726 FRAME: 0328

TRADEMARK  
REEL: 008366 FRAME: 0806

<u>NUMBER</u>	<u>CNTRY</u>	<u>PATENT#</u>	<u>FILED</u>	<u>TITLE</u>
1190	USA	4953721	12/9/88	ANTI-SWAY CRANE REEVING APPARATUS
1191	USA	4965847	1/31/89	METHOD AND APPARATUS FOR DETECTING DEVIATION OF MOTOR SPEED FROM FREQUENCY OF POWER SUPPLY
1197	USA	5027049	1/31/89	METHOD FOR INCREASING THE SPEED OF AN ALTERNATING CURRENT MOTOR
1198	USA	5056671	10/31/90	APPARATUS AND METHOD FOR STRAIGHTENING CRANE RAILS
1200	USA	5074528	7/3/89	REDUNDANT CRANE REEVING APPARATUS
1202	USA	5076544	6/15/90	CONNECTING APPARATUS OF A HOIST DRUM
1430	USA	5077508	1/30/89	Adjustable frequency AC motor drive control e.g. for crane company actual current with reference current sufficient to hold load and release hoist brake if current exceeds this
1203	USA	5080021	4/2/90	APPARATUS AND METHOD FOR CORRECTING SKEW OF A TRAVELING CRANE
1207	USA	5119737	11/1/90	APPARATUS AND METHOD FOR DRIVING A LARGE TRAVELING CRANE
1210	USA	5141085	11/5/90	HOIST LOAD BRAKE
1211	USA	5142992	9/27/90	CRANE SECUREMENT LATCH
1212	USA	5150799	11/5/90	ANTI-SWAY REEVING SYSTEM; FOR A CRANE
1411	USA	5156282	12/13/91	Device for correcting skew of travelling crane has axial, cylindrical surface on one crane drive wheel engaging rail head top side
1217		5161730	12/6/91	METHOD FOR LUBRICATING A WELMINT

TRADEMARK  
 REEL: 1726 FRAME: 0329

TRADEMARK  
 REEL: 008366 FRAME: 0807

<u>NUMBER</u>	<u>CNTRY</u>	<u>PATENT#</u>	<u>FILED</u>	<u>TITLE</u>
1220	USA	5167401	8/23/90	HOIST DRIVE AND METHOD FOR DRIVING A DOUBLE HOIST CARRYING APPARATUS
1221	USA	5179336	7/8/91	METHOD FOR DECREASING THE SPEED OF AN ALTERNATING CURRENT MOTOR
1222	USA	5210473	11/19/91	SYSTEM WITH DELAY TIMER FOR MOTOR LOAD EQUALIZATION
1223	USA	5216957	12/13/91	APPARATUS AND METHOD FOR CORRECTING SKEW OF A TRAVELING CRANE BY MAXIMIZING FRICTION BETWEEN LEADING SKEWED WHEEL AND THE RAIL
1224	USA	5219043	12/19/91	SUSPENDING SUPPORT FOR A CRANE CAB
1241	USA	5296791	4/27/92	METHOD AND APPARATUS FOR OPERATING A HOIST
1243	USA	5312061	1/13/93	CLAMPING MECHANISM FOR SECURING A ROPE TO A WINCH DRUM
1244	USA	5314082	2/5/93	SENSING DEVICE FOR INDICATING IMPROPER ORIENTATION OF A HOIST LIFTING LAD
1245	USA	5316434	5/7/92	APPARATUS AND METHOD FOR HAULING MATERIAL OBJECTS
1247	USA	5319292	6/26/92	METHOD AND APPARATUS FOR PREVENTING MOTORING WHILE BRAKING
1250	USA	5331267	2/11/93	METHOD FOR DETERMINING MOTOR SPEED OF AN INDUCTION MOTOR FOR A HOIST
1252	USA	5343134	5/3/93	METHOD FOR CHECKING BRAKE TORQUE
1436	USA	5361916	9/10/93	Gate-handling crane for moving e.g. water dam gate - has controller detecting pulses and comparing for determining whether link on crane has in in engaging or disengaging position
1440		5385249	7/27/93	Lattice-c. portal crane - has elongate lattice girder suspended from

TRADEMARK  
 REEL: 1726 FRAME: 0330

TRADEMARK  
 REEL: 008366 FRAME: 0808

<u>NUMBER</u>	<u>CNTRY</u>	<u>PATENT#</u>	<u>FILED</u>	<u>TITLE</u>
1443	USA	5398025	7/20/93	Overhead travelling hoist with warning sleeve for pendant control comprises sheet of flexible material having warning information, rolled to overlap ends
1444	USA	5400910	12/31/92	Overhead crane for handling load such bath cover, ore bucket, crucible like - has hoist with trunnions and automatic mechanism for releasably secure bottom block to trolley and also having support plates
1445	USA	5405027	1/14/94	Overhead travelling crane hoist system - has pair of trip bars moving in sequence, and two limit switches operating to disable drive motor in hoisting direction
1446	USA	5405029	11/3/93	Portable frame with additional load carrier - has trolley supported on frame for moving along axis, with load engaging mechanism
1448	USA	5423438	9/13/93	Crane with redundant hoist arrangement and method of using same
1450	USA	5433150	1/26/94	Gantry type travelling crane minimizing skewing on guide rails has two pairs of electrically powered drives, which are lightly and highly loaded in tandem
1455	USA	5454474	10/13/94	Material handling machine e.g. a crane, having control circuit and power limit switches - has weight assembly including two weights for maintaining position of respective switches, and which are telescoped to one another
1457	USA	5456567	12/8/93	Floor-running stacker crane for carrying hot metal - can be raised and rotated about horizontal and vertical axes allowing movement of conveyor vessels through extremely narrow passages
1461	USA	5489033	12/8/93	Low headroom stacker crane - has movable trolley above ground which contains frame supporting driven turntable which has mounted mast assembly
1462	USA	5492067	8/8/94	Portal crane with two separate driven motor each traction components position maintaining - generating equalising signal to reduce acceleration of higher speed component
1464	USA	5507234	11/21/94	Overhead travelling crane adapted to be supported on pair of rails has idler shaft connecting idler wheels such that idler wheels rotate at same speed and includes hoist movable along frame in direction perpendicular to rails
1465	USA	5513723	7/1/94	Double-masted lifting appts. e.g. crane - provides simultaneous or near simultaneous engagement of two brake mechanisms to prevent either operator cab or load from accidentally dropping
1466	USA	5513760	2/14/94	Stacker crane with brake mechanism - has adaptor plate mounted on frame for vertical movement relative to it and includes trolley movable along ground
1470	USA	5548198	9/30/94	Electric crane system e.g. for light duty overhead travelling crane has

REEL: 1726 FRAME: 0331

TRADEMARK  
REEL: 008366 FRAME: 0809

NUMBER	ENTRY	PATENT	FILED	TITLE
1475	USA	5597079	6/24/95	Directional indicating device for detecting lateral shifting of crane hoist rope from desired orientation - Instantaneously warns crane operator of side pull and direction of side pull before load is actually lifted
1488	USA	5603420	9/13/93	Crane with main and auxiliary hoist drums for handling hazardous loads like nuclear fuel bundles under normal and emergency conditions.
1695	USA	5625262	1/3/96	System for equalising load of number of motors, e.g for portal type gantry crane includes second torque control for controlling magnitude of torque of second motor to be same as magnitude of torque of first motor
1716	USA	5662311	5/13/96	Lifting apparatus including overload sensing device.

TRADEMARK

REEL: 1726 FRAME: 0332

TRADEMARK

REEL: 008366 FRAME: 0810

<u>NUMBER</u>	<u>CNTRY</u>	<u>PATENT#</u>	<u>FILED</u>	<u>TITLE</u>
1341	Canada	1125197	6/8/82	READILY RESETTABLE TORQUE-LIMITING COUPLING DEVICE
1347	Canada	1136574	11/30/82	MECHANISM FOR LATCHINGLY CONNECTING TELESCOPING MEMBERS
1343	Canada	1137428	12/14/82	LOAD BRAKE
1356	Canada	1147775	6/7/83	STACKER CRANE FOR MOVEMENT OF COILS
1357	Canada	1153339	9/6/83	ANTI-SWAY, ANTI-ROTATION MECHANISM FOR CRANE REEVING
1106	Canada	2004212	11/29/89	CRANE TRUSS CONNECTING JOINT; FOR CONNECTING TOGETHER THE ENDS OF TWO BEAMS
1430	Canada	2008512	1/24/90	Adjustable frequency AC motor drive control e.g. for crane - compares actual current with reference current sufficient to hold load and release hoist brake if current exceeds this
1109	Canada	2008685	1/26/90	METHOD AND APPARATUS FOR DETECTING MECHANICAL OVERLOAD OF A HOIST
1197	Canada	2008686	1/26/90	METHOD FOR INCREASING THE SPEED OF AN ALTERNATING CURRENT MOTOR
1191	Canada	2008688	1/26/90	METHOD AND APPARATUS FOR DETECTING DEVIATION OF MOTOR SPEED FROM FREQUENCY OF POWER SUPPLY
1654	Canada	2012031	12/12/90	Gantry crane having stairway - has two support structures connected to load-carrying beam, one being hinged and having stairway connected to
1211	Canada	2049142	8/14/91	CRANE SECUREMENT LATCH
1212	Canada	2049150	8/14/91	ANTI-SWAY REEVING SYSTEM; FOR A CRANE
1210	Canada	2049194	8/14/91	HOIST LOAD BRAKE

TRADEMARK

REEL: 1726 FRAME: 0333

TRADEMARK

REEL: 008366 FRAME: 0811

NUMBER	ENTRY	PATENT#	FILED	TITLE
1220	Canada	2049221	8/14/91	HOIST DRIVE AND METHOD FOR DRIVING A DOUBLE HOIST CARRYING APPARATUS
1198	Canada	2052515	9/30/91	APPARATUS AND METHOD FOR STRAIGHTENING CRANE RAILS
1207	Canada	2052516	9/30/91	APPARATUS AND METHOD FOR DRIVING A LARGE TRAVELING CRANE
1217	Canada	2060469	1/31/92	METHOD FOR FABRICATING A WELDMENT
1222	Canada	2060472	1/31/92	SYSTEM WITH DELAY TIMER FOR MOTOR LOAD EQUALIZATION
1224	Canada	2064963	4/2/92	SUSPENDING SUPPORT FOR A CRANE CAB
1221	Canada	2070361	6/3/92	METHOD FOR DECREASING THE SPEED OF AN ALTERNATING CURRENT MOTOR
1241	Canada	2074203	7/20/92	METHOD AND APPARATUS FOR OPERATING A HOIST
1245	Canada	2075312	8/5/92	APPARATUS AND METHOD FOR HAULING MATERIAL OBJECTS
1247	Canada	2082359	11/6/92	METHOD AND APPARATUS FOR PREVENTING MOTORING WHILE BRAKING
1651	Canada	2085941	12/21/92	Load carrier position sensor - comprises hook-mounted actuator connected to hook-mounted switch to actuate it when carrier in wear
1672	Canada	2091110	3/5/93	Mount for anode positioning in a melting furnace - operates automatically to achieve predetermined anode-cathode gap
1243	Canada	2092133	3/22/93	CLAMPING MECHANISM FOR SECURING A ROPE TO A WINCH DRUM
1244	Canada	2092143	3/22/93	SENSING DEVICE FOR INDICATING IMPROPER ORIENTATION OF A HOIST CARRIER

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MODEL: 1726 FRAME: 0334

TRADEMARK

REEL: 008366 FRAME: 0812



NUMBER	COUNTRY	PATENT#	FILED	TITLE
1444	Canada	2092749	3/26/93	Overhead crane for handling load such bath cover, ore bucket, crucible or like - has hoist with trunnions and automatic mechanism for releasably secure bottom block to trolley and also having support plates METHOD FOR DETERMINING MOTOR SPEED OF AN INDUCTION MOTOR FOR A HOIST
1250	Canada	2094552	4/21/93	
1252	Canada	2098894	6/21/93	METHOD FOR CHECKING BRAKE TORQUE
1443	Canada	2106883	9/24/93	Overhead travelling hoist with warning sleeve for pendant control - comprises sheet of flexible material having warning information, rolled to overlap ends
1440	Canada	2108822	10/20/93	Crane with main and auxiliary hoist drums - for handling hazardous loads like nuclear fuel bundles under normal and emergency conditions
1436	Canada	2108825	10/20/93	Gate-handling crane for moving e.g. water dam gate - has controller detecting pulses and comparing for determining whether link on crane blo is in engaging or disengaging position
1440	Canada	2109151	10/25/93	Lattice-type portal crane - has elongate lattice girder suspended from girder beam by first and second support links, with force transfer link coupling support links
1446	Canada	2111255	12/13/93	Portable frame with additional load carrier - has trolley supported on frame for moving along axis, with load engaging mechanism
1457	Canada	2116040	2/21/94	Floor-running stacker crane for carrying hot metal - can be raised and rotated about horizontal and vertical axes allowing movement of concrete vessels through extremely narrow passages
1445	Canada	2119300	3/17/94	Overhead travelling crane hoist system - has pair of trip bars moving in sequence, and two limit switches operating to disable drive motor in hoisting direction
1461	Canada	2120900	4/8/94	Low headroom stacker crane - has movable trolley above ground which contains frame supporting driven turntable which has mounted mast assembly
1450	Canada	2121630	4/19/94	Gantry type travelling crane minimizing skewing on guide rails - has two pairs of electrically powered drives, which are lightly and highly loaded in tandem
1466	Canada	2124916	6/1/94	Stacker crane with brake mechanism - has adaptor plate mounted on frame for vertical movement relative to it and includes trolley movable along ground
1465	Canada	2128859	7/14/94	Double-mast lifting apparatus of crane - provides simultaneous or near simultaneous engagement of two brake mechanisms to prevent rotation of mast



TRADEMARK

REEL: 1726 FRAME: 0335

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REEL: 008366 FRAME: 0813

<u>NUMBER</u>	<u>CNTRY</u>	<u>PATENT</u>	<u>FILED</u>	<u>TITLE</u>
1470	Canada	2136794	11/20/94	Electric drive system e.g. for light duty overhead travelling crane - has control of drive motors provided by pushbutton-operated pendant station by radio transmitter with paddle stick control
1455	Canada	2139030	12/23/94	Material handling machine e.g. a crane, having control circuit and power limit switches - has weight assembly including two weights for maintaining position of respective switches, and which are telescoped to one another
1464	Canada		1/13/95	Overhead travelling crane adapted to be supported on pair of rails - has idler shaft connecting idler wheels such that idler wheels rotate at an speed and includes hoist movable along frame in direction perpendicular
1203	Canada	1315743	6/22/89	APPARATUS AND METHOD FOR CORRECTING SKEW OF A TRAVELING CRANE
1175	Canada	1322188	9/27/89	HOIST SWIVEL SUPPORT HAVING SWIVELABLE SURFACE AND BEARING INSERTS
1755	EPO	557056	2/17/1993	Electric chain hoist having modular construction - has motor rotor and stator winding in separate modules, which are electromagnetically coupled when stator winding is energized
1244	Japan	2630906	11/01/1993	SENSING DEVICE FOR INDICATING IMPROPER ORIENTATION OF A HOIST LIFTING
1203	Korea	109004	6/23/1989	APPARATUS AND METHOD FOR CORRECTING SKEW OF A TRAVELING CRANE
1343	Mexico	151,979	10/11/79	Load brake
1356	Mexico	153,250	9/14/81	Stacker crane for movement of coils.
1347	Mexico	152566	3/23/81	Mechanism for attaching connecting telescoping members.
1197	Mexico	17460	1/31/90	Method for increasing the speed of an alternating current motor

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 REEL: 008366 FRAME: 0814

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<u>NUMBER</u>	<u>COUNTRY</u>	<u>PATENT#</u>	<u>FILED</u>	<u>TITLE</u>
1189	Mexico	172841	1/31/90	Method and apparatus for detecting mechanical overload of a hoist.
1198	Mexico	177660	10/30/91	Apparatus and method for straightening crane rails.
1207	Mexico	177721	10/31/91	Apparatus and method for driving a large traveling crane.
1210	Mexico	178965	11/5/91	Hoist load brake
1212	Mexico	181054	11/5/91	ANTI-SWAY REEVING SYSTEM; FOR A CRANE
1241	Mexico	184401	1/14/93	Method and apparatus for operating a hoist.
1247	Mexico	183212	6/16/93	Improved method and apparatus for preventing motoring while braking
1455	Mexico	184747	7/13/95	Material handling machine e.g. a crane, having control circuit and power limit switches - has weight assembly including two weights for maintain position of respective switches, and which are telescoped to one another

1446 Mexico 197285  
1448 Mexico 197286  
1462 Mexico 186697

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NUMBER	CNTRY	APPL#	FILED	TITLE
1720	USA	08/584223	1/11/96	Improved Polar Crane and Related Method
1722	USA	08/525128	9/8/95	Upper leg pin connection
1728	USA	08/780639	1/8/97	Adjustable Capsule Bearing Wheel Assembly
1303	USA	08/585829	1/16/96	Hoist for anode positioning in a smelting furnace to achieve predetermined anode cathode gap

PATENT # 5730855

1902 USA 09/008147  
 1903 USA 09/008519

operated automatically

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 REEL: 008366 FRAME: 0816

NUMBER	CNTRY	APPL#	FILED	TITLE
1651	Brazil	933660	8/31/93	Load carrier position sensor - comprises hook-mounted actuator connected to hook-mounted switch to actuate it when carrier is near
1672	Brazil	935206	12/29/93	Hoist for anode positioning in a smelting furnace - operates automatically to achieve predetermined anode-cathode gap
1341	Brazil		4/7/01	READILY RESETTABLE TORQUE-LIMITING COUPLING DEVICE
1343	Brazil		4/7/01	LOAD BRAKE
1347	Brazil		11/16/02	MECHANISM FOR LATCHINGLY CONNECTING TELESCOPING MEMBERS
1203	Brazil		2/6/90	APPARATUS AND METHOD FOR CORRECTING SKEN OF A TRAVELING CRANE
1303	Brazil	9305206		Hoist for anode positioning in a smelting furnace operates automatically to achieve predetermined anode cathode gap
1716	Canada		2/16/94	Lifting apparatus including overload sensing device
1723	Canada		10/11/95	Pivoting pinned trolley leg.
1303	Canada	2091110	3/5/1993	Hoist for anode positioning in a smelting furnace operates automatically to achieve predetermined anode cathode gap
1695	Canada	2100005	7/9/96	System for equalizing load of number of motors, e.g for portal type gantry crane includes second torque control for controlling magnitude of torque of second motor to be same as magnitude of torque of first motor
1728	Canada		7/30/1997	Adjustable Capaule Bearing Wheel Assembly
1475	Canada	2169070	2/20/96	Directional indicating device for detecting lateral shifting of crane hoist rope from desired orientation - instantaneously warns crane operator of side pull and direction of side pull before load is actually lifted
1720	Canada	1459306	6/8/96	Improved r Crane and Related Method

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NUMBER	CNTRY	APPL#	KILED	TITLE
1716	Chile	143/95	1/31/95	Lifting apparatus including overload sensing device
1222	Germany	4238064	11/11/92	SYSTEM WITH DELAY TIMER FOR MOTOR LOAD EQUALIZATION
1222	Japan	92333512	11/19/92	SYSTEM WITH DELAY TIMER FOR MOTOR LOAD EQUALIZATION
1247	Japan	93179898	6/25/93	METHOD AND APPARATUS FOR PREVENTING MOTORING WHILE BRAKING
1250	Japan	9437764	2/10/94	METHOD FOR DETERMINING MOTOR SPEED OF AN INDUCTION MOTOR FOR A HOIST
1252	Japan	94115852	5/2/94	METHOD FOR CHECKING BRAKE TORQUE
1252	Mexico	943230	5/2/94	Method for checking brake torque.
1465	Mexico	9502891	6/30/95	Double-masted lifting appts. e.g. crane - provides simultaneous or near simultaneous engagement of two brake mechanisms to prevent either opera cab or load from accidentally dropping
1466	Mexico	9500232	1/2/1995	Stacker crane with brake mechanism - has adaptor plate mounted on frame for vertical movement relative to it and includes trolley movable along ground
1464	Mexico	9504181	10/2/1995	Overhead travelling crane adapted to be supported on pair of rails - by idler shaft connecting idler wheels such that idler wheels rotate at the speed and includes hoist movable along frame in direction perpendicular
1716	Mexico		2/16/94	lifting apparatus including overload sensing device
1720	Mexico		1/11/96	Inertia control for A4 circular bridge.
1722	Mexico		9/8/95	Upper leg pin connection.
1723	co		10/11/95	Pivoting r ed trolley leg.

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NUMBER	CNTRY	APPL#	FILED	TITLE
1383	Mexico			Hoist for anode positioning in a smelting furnace operates automatically to achieve predetermined anode cathode gap
1444	Mexico	940062	1/3/94	Overhead crane for handling load such bath cover, one bucket, crucible like - has hoist with trunnions and automatic mechanism for releasably secure bottom block to trolley and also having support plates
1446	Mexico			Portable frame with additional load carrier - has trolley supported on frame for moving along axis, with load engaging mechanism
1461	Mexico	9408635	9/11/94	Low headroom stacker crane - has movable trolley above ground which contains frame supporting driven turntable which has mounted mast assembly
1457	Mexico	9409504	12/7/94	Floor-running stacker crane for carrying hot metal - can be raised and rotated about horizontal and vertical axes allowing movement of converted vessels through extremely narrow passages
1695	Mexico	966697	12/19/96	System for equalising load of number of motors, e.g. for portal type gantry crane includes second torque control for controlling magnitude of torque of second motor to be same as magnitude of torque of first motor
1728	Mexico	976715	9/3/1997	Adjustable Capsule Bearing Wheel Assembly
1475	Mexico	963632	8/23/96	Directional indicating device for detecting lateral shifting of crane hoist rope from desired orientation - instantaneously warns crane operator of side pull and direction of side pull before load is actually lifted
1445	Mexico	949933	12/16/94	Overhead travelling crane hoist system - has pair of trip bars moving in sequence, and two limit switches operating to disable drive motor in hoisting direction
1470	Mexico	953642	8/23/95	Electric drive system e.g. for light duty overhead travelling crane - has control of drive motors provided by pushbutton-operated pendant station by radio transmitter with paddle stick control
1436	Mexico	946956	9/9/94	Gate-handling crane for moving e.g. water dam gate - has controller detecting pulses and comparing for determining whether link on crane is in engaging or disengaging position
1440	Mexico	941523	2/28/94	Lattice-type portal crane - has elongate lattice girder suspended from girder beam by first and second support links, with force transfer link coupling support links
1450	Mexico	949503	12/7/94	Gantry type travelling crane minimizing skewing on guide rails - has two pairs of electrically powered drives, which are lightly and heavily load in tandem
1462	CO	952630	6/14/95	Portal cr with two separate driven motor each traction can maintain position - generating equalizing signal to other cranes



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REEL: 008366 FRAME: 0819

<u>NUMBER</u>	<u>CNTRY</u>	<u>APPL#</u>	<u>FILED</u>	<u>TITLE</u>
1448	Mexico	946994	9/12/94	Crane with main and auxiliary hoist drums - for handling hazardous loads like nuclear fuel bundles under normal and emergency conditions.
1728	South Africa	977370	8/15/1997	Adjustable Capsule Bearing Wheel Assembly
1252	Taiwan	94103961	5/2/94	METHOD FOR CHECKING BRAKE TORQUE
1644	United Kingdom	966919	4/2/96	Overhead material handling machine - has horizontal girder carrying trolley and grab connected to rail riding trolley
1716	United Kingdom	952199	2/3/95	Load lifting appts. overload sensor eg. for hoist, crane or weighing system - disables hoist mechanism and operates alarm when output reaches two set values corresponding to max. load and capacity of load lifting
1475	United Kingdom	9616684.8	8/8/96	Directional indicating device for detecting lateral shifting of crane hoist rope from desired orientation - instantaneously warns crane operator of side pull and direction of side pull before load is actually lifted
1722	United Kingdom	9606919.0	9/8/95	Upper leg pin connection.
1800	United Kingdom	97 14516.5	7/16/97	Container Storage Systems
1716	United Kingdom			Lifting apparatus including overload sensing device
1728	United Kingdom	9716431.3	8/5/1997	Adjustable Capsule Bearing Wheel Assembly
1380	Venezuela	PATENT # 195 B/93		Hoist for anode positioning in a smelting furnace operated automatically to achieve predetermined anode cathode gap

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**Schedule V**

**Copyrights**

NONE



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**Schedule VI**

**Licenses**

NONE

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REEL: 1726 FRAME: 0344

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REEL: 008366 FRAME: 0822

FORM OF NOTARY ACKNOWLEDGEMENT

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

On this \_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ before me ap-  
peared \_\_\_\_\_, to me personally known, who being by me  
duly sworn, did say that s/he is the \_\_\_\_\_ of  
\_\_\_\_\_, a \_\_\_\_\_ and that said instrument was signed  
and sealed on behalf of said \_\_\_\_\_ by authority of its Board  
of Directors, and said acknowledged said instrument to be the  
free act and deed of said \_\_\_\_\_.

IN WITNESS WHEREOF, I have hereunder set my hand and  
affixed my notarial seal at my office in \_\_\_\_\_ County, State  
of \_\_\_\_\_, the day and year last above written.

[NOTARY SEAL]

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

My Commission Expires:

Notary's Printed Name:

\_\_\_\_\_  
\_\_\_\_\_  
Note: Notary form to be executed by each Pledgor that is  
pledging any Intellectual Property Collateral.

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REEL: 008366 FRAME: 0823

EXHIBIT 1

Form of Issuer Acknowledgment

The undersigned hereby (i) acknowledges receipt of a copy of the Security Agreement (as amended, amended and restated, supplemented or otherwise modified from time to time, the "Agreement"), dated as of March \_\_, 1998, among Morris Material Handling, Inc. (the "Borrower"), the Guarantors from time to time party thereto and Canadian Imperial Bank of Commerce, as collateral agent ("Collateral Agent"), (ii) agrees promptly to note on its books the security interests granted and confirmed under the Agreement and (iii) waives any right or requirement at any time hereafter to receive a copy of the Agreement in connection with the registration of any Securities Collateral thereunder in the name of Collateral Agent or its nominee or the exercise of voting rights by Collateral Agent or its nominee.

[NAME OF ISSUER]

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

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REEL: 1726 FRAME: 0346

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REEL: 008366 FRAME: 0824

EXHIBIT 2

Form of Securities Pledge Amendment

PLEDGE AMENDMENT

This Pledge Amendment, dated \_\_\_\_\_, is delivered pursuant to Section 7 of the Agreement referred to below. The undersigned hereby agrees that this Pledge Amendment may be attached to the Security Agreement, dated as of \_\_\_\_\_, among the undersigned, certain other Pledgors and Canadian Imperial Bank of Commerce, as Collateral Agent (the "Agreement"; capitalized terms used herein and not defined shall have the meanings assigned to them in the Agreement) and that the Pledged Securities and/or Intercompany Notes listed on this Pledge Amendment shall be deemed to be and shall become part of the Pledged Collateral and shall secure all Secured Obligations.

\_\_\_\_\_  
as Pledgor

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

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REEL: 1726 FRAME: 0347

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REEL: 008366 FRAME: 0825

Pledged Securities

<u>ISSUER</u>	<u>CLASS OF STOCK</u>	<u>PAR VALUE</u>	<u>CERTIFICATE NO(S)</u>	<u>NUMBER OF SHARES</u>	<u>PERCENTAGE OF ALL ISSUED CAPITAL OR OTHER EQUITY INTERESTS OF ISSUER</u>
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REEL: 008366 FRAME: 0826

Intercompany Notes

<u>ISSUER</u>	<u>PRINCIPAL AMOUNT</u>	<u>DATE OF ISSUANCE</u>	<u>INTEREST RATE</u>	<u>MATURITY] DATE]</u>
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REEL: 1726 FRAME: 0349

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REEL: 008366 FRAME: 0827

EXHIBIT 3

Form of Joinder Agreement

[Name of New Pledgor]  
[Address of New Pledgor]

[Date]

Canadian Imperial Bank of Commerce,  
as Collateral Agent  
425 Lexington Avenue  
New York, New York 10017  
Attention: \_\_\_\_\_

Ladies and Gentlemen:

Reference is made to the Security Agreement (the "Agreement"), dated as of \_\_\_\_\_, made by \_\_\_\_\_ (the "Borrower"), each of the Guarantors listed on the signature pages thereto or from time to time party thereto by execution of a joinder agreement and Canadian Imperial Bank of Commerce, as collateral agent for the Secured Parties. Capitalized terms used herein but not otherwise defined herein have the meanings given such terms in the Agreement.

This letter supplements the Agreement and is delivered by the undersigned, \_\_\_\_\_ (the "New Pledgor"), pursuant to Section 22 of the Agreement. The New Pledgor hereby agrees to be bound as a Guarantor and as a Pledgor by all of the terms, covenants and conditions set forth in the Agreement to the same extent that it would have been bound if it had been a signatory to the Agreement on the execution date of the Agreement. The New Pledgor hereby makes each of the representations and warranties and agrees to each of the covenants applicable to the Pledgors contained in the Agreement.

Attached hereto are supplements to each of the schedules and annexes to the Agreement with respect to the New Pledgor. Such supplements shall be deemed to be part of the Agreement.



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REEL: 008366 FRAME: 0828



This agreement and any amendments, waivers, consents or supplements hereto may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original, but all such counterparts together shall constitute one and the same agreement.

THIS AGREEMENT SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK, EXCLUDING (TO THE GREATEST EXTENT PERMITTED BY LAW) ANY RULE OF LAW THAT WOULD CAUSE THE APPLICATION OF THE LAWS OF ANY JURISDICTION OTHER THAN THE STATE OF NEW YORK.

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REEL: 1726 FRAME: 0351

TRADEMARK  
REEL: 008366 FRAME: 0829

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

[NEW PLEDGOR]

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

AGREED TO AND ACCEPTED:

CANADIAN IMPERIAL BANK OF COMMERCE,  
as Collateral Agent

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

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

[Schedules and Annexes to be attached]

### INDEMNITOR AGREEMENT

THIS AGREEMENT is dated as of the 30th day of March, 1998 by and between Canadian Imperial Bank of Commerce as collateral agent for the Bank Group (together with its successors and assigns, the "Agent") , and Reliance Surety Company, a Delaware Corporation, Reliance Insurance Company, a Pennsylvania Corporation, United Pacific Insurance Company, a Pennsylvania Corporation, and Reliance National Indemnity Company, a Wisconsin Corporation (collectively with their successors, "Reliance").

WHEREAS, concurrently herewith Morris Material Handling, Inc., Morris Material Handling, Ltd., Mercurus S.A. de C.V., PHEM Holding Company, Material Handling L.L.C., MHE Canada ULC, Red Crown ULC, Lowfile Limited, Birmingham Crane & Hoist, Inc., Morris Blooms Pte Ltd., PHEM Services, Inc., Material Handling Equipment Nevada Corporation, MHE Technologies, Inc., MPH Crane, Inc., P&H Middle East, Ltd., 3016117 Nova Scotia ULC, Invercoe Engineering Limited, MHE (Holdings) Limited, Butters Engineering Limited, Morris Mechanical Handling Limited, MHE International Limited, Linear Motors Limited, HR Crane Services Limited, Vaughan Crane Company Ltd., Royce Ltd., Morris Mechanical Handling, Inc., Morris Mechanical Handling (Pty) Limited, Barnischfeger Distribution & Service, LLC, Mondel LLC, Kaverit LLC, Hydrasach LLC, MPH Material Handling, LLC, MPH Material Handling, LLC, CMH Material Handling, LLC, MPH Material Handling, Inc. (herein collectively referred to as "Principal") and MHE Holdings, Inc. (together with the Principal and each of the other foregoing entities, collectively, the "Indemnitors") and Reliance have heretofore entered into an Underwriting Agreement (as hereinafter defined) pursuant to which

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REEL: 1726 FRAME: 0353

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REEL: 008366 FRAME: 0831

the Principal has obtained and/or may in the future obtain from Reliance surety bonds; and

WHEREAS, as a condition precedent to issuing such bonds, Reliance has required the Indemnitors to grant it security interests in certain of its assets; and

WHEREAS, certain of the Indemnitors and the Bank Group are parties to the Credit Agreement (as hereinafter defined) pursuant to which the Bank Group has committed, subject to the terms and conditions set forth therein, to make certain loans to the Principal; and

WHEREAS, as a condition precedent to the effectiveness of the Credit Agreement, Bank Group has required the Indemnitors to secure the Indemnitors' obligations arising with respect to the Credit Agreement and the other credit documents by granting to the Agent for the benefit of the Bank Group a security interest in certain of their assets; and

WHEREAS, Reliance and the Agent wish to evidence and implement certain agreements with respect to the collateral granted to Reliance in connection with the Underwriting Agreement and the collateral granted to the Agent in connection with the Credit Agreement.

NOW, THEREFORE, in consideration of the foregoing, the parties hereby agree as follows:

1. **Definitions.** As used herein, the following terms have the following meanings:

"Agreement" means this Agreement, as amended from time to time.

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REEL: 1726 FRAME: 0354

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REEL: 008366 FRAME: 0832

"Bank Group" means the Agent and all other agents and financial institutions from time to time parties to the Credit Agreement.

"Bank Collateral" means any and all property of the Indemnitors in which the Agent from time to time holds a security interest to secure any of the Bank Debt.

"Bank Debt" means any and all indebtedness, liabilities, and obligations (financial or otherwise) of any kind or character whatsoever of the Principal from time to time owed to the Bank Group under the Credit Agreement and all related notes, mortgages, security agreements, and other documents, whether matured or unmatured, liquidated or unliquidated, direct or indirect, absolute or contingent, joint or several, due or to become due, now existing or hereafter arising and all indebtedness, liabilities and obligations incurred in the refinancing or extension thereof.

"Bank Event of Default" means failure of the Indemnitors to pay any Bank Debt at scheduled maturity or any acceleration of the maturity of any of the Bank Debt.

"Bank Priority Collateral" means all Bank Collateral other than the Reliance Priority Collateral.

"Bond" means any surety agreement, undertaking, or instrument of guarantee signed by Reliance on behalf of the Principal in order to assure completion of such Principal's obligations under any contract between such Principal and an Obligor.

"Bonded Contracts" means any contract for which any Bond is issued on behalf of the Principal.

"Bonded Receivable" means all right, title, and interest of the Principal to all moneys due or to become due to such Principal by an Obligor arising out of a Bonded Contract.

"Bonded Working Assets" means all inventory, materials and equipment, wherever located, which are purchased for, and/or installed in any Bonded Contracts, whether completed or in the process of construction or manufacture.

"Collateral" means the Bank Collateral and the Reliance Collateral.

"Collateral Party" means either the Agent or Reliance.

"Credit Agreement" means the Credit Agreement dated as of the date hereof among certain of the Indebtedors and the Bank Group, as heretofore and hereafter amended, and any extension or renewal thereof or replacement therefor under which Bank acts as lender.

"Debt" means either the Reliance Debt or the Bank Debt.

"Equipment Utilization Agreement" means the agreement among the Agent, the Principal, and Reliance pursuant to which Reliance has an option to lease Bank Collateral for the purpose of completing performance under a Bonded contract.

"Obligor" means any named party or parties appearing on the Bond(s) in whose favor the Bond(s) are issued, or such parties' assignees.

"Principal" has the meaning set forth in the recitals hereto.

"Proceeding" means the making of an assignment for the benefit of creditors of a Principal; the voluntary or involuntary dissolution, winding up total or partial liquidation, reorganization, bankruptcy, insolvency, administration, receivership, or marshalling of assets or liabilities of a

Principal; or any other statutory, common law, or contractual proceeding or arrangement for the postponement or adjustment of all or a substantial part of the liabilities of the Principal.

"Reliance" has the meaning set forth in the preamble hereto.

"Reliance Collateral" means any and all property of the Indemnitors in which Reliance from time to time holds a security interest to secure any of the Reliance Debt.

"Reliance Debt" means any and all indebtedness, liabilities, and obligations (financial or otherwise) of any kind or character whatsoever of any or all of the Indemnitors from time to time owed to Reliance under the Bonds and the Underwriting Agreement and all related documents, whether matured or unmatured, liquidated or unliquidated, direct or indirect, absolute or contingent, joint or several, due or to become due, now existing or hereafter arising.

"Reliance Event of Default" means (i) any default as defined in the Equipment Utilisation Agreement or (ii) any default by the Principal of the Underwriting Agreement.

"Reliance Priority Collateral" means all Bonded Receivables, all Bonded Working Assets and, all cash proceeds arising from Bonded Receivables and from the disposition of Bonded Working Assets; all of which constitute both Bank Collateral and Reliance Collateral.

"Unbonded Contract" means any contract other than a Bonded Contract.

"Unbonded Receivables" means all right, title and interest of the Principal to all monies other than Bonded Receivables.

"Underwriting Agreement" means Reliance Insurance Companies Continuing Agreement of Indemnity - Contractor's Form of even date

herewith among Reliance and the Indemnitors, as the same may be amended from time to time, and any extension or renewal thereof or replacement thereof to which any Indemnitor is a party.

2. Priority of Security Interests.

2.1 Limit on Right of Action by Reliance. Reliance shall not take any action to foreclose or otherwise realize upon, or take any action (other than filings necessary to perfect its security interest, to which Agent hereby consents) with respect to, any Bank Priority Collateral before payment in full of the Bank Debt.

2.2 Bank Priority Collateral. Regardless of the relative times of attachment or perfection of security interests or the order of filing of security agreements, financing statements, or other documents, the security interests of the Bank in the Bank Priority Collateral shall in all respects be senior and superior to the security interests of Reliance in the Bank Priority Collateral provided that Reliance shall be entitled to use any item of Bank Priority Collateral which constitutes contract equipment in accordance with the Equipment Utilization Agreement. Should any Bank Priority Collateral or proceeds thereof be received by Reliance prior to the payment in full of all the Bank Debt, Reliance shall forthwith deliver the same to the Agent in the form received (with any endorsement or assignment reasonably requested by the Agent) for application on the Bank Debt, and, until so delivered, the same shall be held in trust by Reliance as the property of the Bank Group.

2.3 Limit on Right of Action by Bank. (a) Except for Reliance Priority Collateral located in the United Kingdom, the Agent shall not take any action to foreclose or otherwise realize



upon or take any action (other than filings necessary to perfect its security interest, to which Reliance hereby consents) with respect to, any Reliance Priority Collateral before payment in full of the Reliance Debt. In the event that the Agent elects to enforce its remedies in the United Kingdom with respect to any Bank Collateral that includes Reliance Priority Collateral, the Agent shall take all actions reasonably necessary to cause the administrative receiver appointed by it to act in accordance with the instructions of Reliance with respect to realisation of such Reliance Priority Collateral. (b) Irrespective of any provision set forth in the Credit Agreement or any other Credit Document (as such term is defined in the Credit Agreement), the Agent shall not require the Principal to (i) instruct its account debtors obligated with respect to any Bonded Receivable to directly deposit into any deposit account in which the Bank has a security interest any sums due with respect to such Bonded Receivable or (ii) commingle its assets, particularly but not limited to cash and cash equivalents, with, and will hold such assets separately and distinctly from, assets of any third party. (c) The Agent hereby waives any Event of Default (as such term is defined in the Credit Agreement) resulting solely from the execution and delivery by Indemnitors of the Underwriting Documents (as such term is defined in the Underwriting Agreement) and the performance by each parties of their respective obligations thereunder to the extent such Event of Default constitutes the granting of a lien or the guarantying of obligations of affiliates contemplated by such Underwriting Documents.

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REEL: 1726 FRAME: 0359

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REEL: 008366 FRAME: 0837

2.4 Reliance Priority Collateral. Regardless of the relative times of attachment or perfection of security interests or the order of filing of security agreements, financing statements, or other documents, the security interests of Reliance in the Reliance Priority Collateral shall in all respects be senior and superior to the security interests of the Bank in Reliance Priority Collateral. Should any Reliance Priority Collateral or proceeds thereof be received by the Agent prior to the payment in full of all Reliance Debt, the Agent shall forthwith deliver the same to Reliance in the form received (with any endorsement or assignment reasonably requested by Reliance) for application on the Reliance Debt, and, until so delivered, the same shall be held in trust by the Agent as the property of Reliance.

2.5 Effect of Agreement. The provisions of this Agreement are solely for the purpose and shall have the sole effect of defining the relative rights of Reliance on the one hand and the Agent on the other; may not be relied upon or enforced by the Principal or by any other creditor of the Principal; and shall not impair, as between the Principal and Reliance or the Bank Group, the obligations of the Principal, which are unconditional and absolute, to pay all Bank Debt and Reliance Debt in accordance with their terms and to comply with all terms of the Credit Agreement and the Underwriting Agreement.

2.6 Agency for Perfection. Reliance and the Agent hereby appoint each other as agent for purposes of perfecting its respective security interests and liens on the Collateral described hereunder. To the extent that either Collateral Party obtains possession of Collateral in which the other Collateral Party has a

senior security interest pursuant to this Agreement, the Collateral Party having possession shall hold such Collateral as agent for the other and immediately notify the other Collateral Party of such fact and shall deliver such Collateral to such other Collateral Party upon request of the Collateral Party having the senior security interest. Notwithstanding the foregoing provisions of this Section, neither Reliance nor the Agent shall have any liabilities to the other party for any failure to perfect the security lien of such party in and to any Collateral.

2.7 Actions Upon Repayment of Debt. If either (but not both) the Reliance Debt or the Bank Debt is paid in full, then the Collateral Party whose Debt is thus fully paid shall transfer any Collateral or proceeds therefrom held by it to the other Collateral Party, unless otherwise required to remit the proceeds according to law, and shall assign its security interest and all of its rights under financing statements to the other Collateral Party, unless otherwise agreed to in writing by such other Collateral Party.

3. Notices.

3.1 Notices to Agent. Reliance shall notify the Agent upon the happening of any of the following:

- (a) the occurrence of a Reliance Event of Default, specifying the nature thereof;
- (b) Reliance's waiver of any such Reliance Event of Default;
- (c) the making of any payment by Reliance pursuant to a bond;
- (d) the proposed sale or other disposition of any Reliance Collateral by Reliance; and
- (e) any amendment of the Underwriting Agreement.

3.2 Notices to Reliance. The Agent shall notify Reliance upon the happening of any of the following:

- (a) the occurrence of any Bank Event of Default, specifying the nature thereof; and
- (b) the Bank Group's waiver of any Bank Event of Default.
- (c) any amendment to the Credit Agreement.

3.3 Manner of Giving Notice. All notices, requests, demands,

and other communications hereunder shall be in writing and shall be delivered by hand or by any form of delivery (including but not limited to United States registered or certified mail) requiring a signed receipt, and addressed:

- (a) if to the Bank:

Canadian Imperial Bank of Commerce  
425 Lexington Avenue  
New York, NY

Attention: Mr. Timothy Doyle

with copy to:

Cahill, Gordon & Reindel  
80 Pine Street  
New York, NY 10005

Attention: John Schuster, Esq.

- (b) if to Reliance:  
Reliance Insurance Company  
3 Parkway  
Philadelphia, PA 19102

Attention: Surety Department

or to such other address or addresses as the party to whom such notice is directed may have designated in writing to the other parties. Notices shall be deemed given when actually received.

3.4 Effect of Failure to Give Notice. In order to more effectively administer the matters described in this Agreement, the

parties have agreed in good faith to give the notices described in sections 3.1 and 3.2. However, neither Reliance, nor the Agent shall have any liability to any party for any failure to give any notice, and no party shall lose any of its rights hereunder because it did not give a notice required under sections 3.1 or 3.2.

4. Agent's Discretion. So long as the Agent proceeds in a commercially reasonable manner, the Agent may foreclose on or otherwise enforce its security interests in the Bank Priority Collateral in any manner that the Bank Group and the Agent, in their sole discretion, may elect even though a higher price might have been obtained had such security interests been foreclosed upon in another manner. The Bank Group and the Agents shall have the right, in its sole discretion, to modify, amend, waive, or release any of its rights under the Credit Agreement or any other agreement or instrument evidencing, securing, or otherwise pertaining to the Bank Debt, and to exercise or refrain from exercising any powers or rights conferred upon the Bank Group thereunder. Except as otherwise provided in Section 3.2, Reliance waives its right to receive from the Agent any notice of any nature whatsoever to which it would otherwise be entitled under applicable law and also waives presentment, demand, and protest with respect to any instrument evidencing Bank Debt.

5. Reliance's Discretion. So long as Reliance proceeds in a commercially reasonable manner, Reliance may foreclose on or otherwise enforce its security interests in the Reliance Priority Collateral in any manner that Reliance, in its sole discretion, may elect even though a higher price might have been obtained had such security interests been foreclosed upon in another manner. Reliance shall have the right, in its sole discretion, to modify,

sue, demand, waive, or release any of its rights under the Underwriting Agreement or any other agreement or instrument evidencing, securing, or otherwise pertaining to the Reliance Debt, and to exercise or refrain from exercising any powers or rights conferred upon Reliance thereunder. Except as otherwise provided in Section 3.1, the Agent waives its right to receive from Reliance any notice of any nature whatsoever to which it would otherwise be entitled under applicable law and also waiver presentment, demand, and protest with respect to any instrument evidencing Reliance Debt.

6. Term. This Agreement shall remain in effect until the earlier of: (a)(i) the termination of all of the Bank Group's obligations to extend credit to the Indebtedors under the Credit Agreement and (ii) the payment in full of all of the Bank Debt; or (b)(i) the payment in full of all of the Reliance Debt, (ii) the cancellation or expiration of all Bonds, and (iii) the termination of all of Reliance's security interests in Reliance Collateral.

7. Alternate Dispute Resolution. Any controversy, dispute, or claim of whatever nature arising out of, in connection with, or in relation to the interpretation, performance or breach of this Agreement, including any claim based on contract, tort, or statute, shall be resolved at the request of any Collateral Party through a two-step dispute resolution process administered by the Center for Public Resources ("CPR") involving first mediation before a neutral third party selected from the CPR Panels of Neutrals and administered in accordance with the then existing CPR Model Procedure for Mediation of Business Disputes, followed, if necessary, by final and binding arbitration conducted by a sole arbitrator at a location determined by the arbitrator and

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REEL: 1726 FRAME: 0364

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REEL: 008366 FRAME: 0842

administered in accordance with the then existing CPR Rules for Non-Administered Arbitration of Business Disputes. A judgment upon any award rendered by the arbitrator may be entered by any State or Federal Court having jurisdiction thereof.

8. **Miscellaneous.** This Agreement shall benefit and bind the parties hereto and their respective successors and assigns. This Agreement may be executed in any number of counterparts and shall be governed by and construed in accordance with the laws of the State of Pennsylvania. The headings in this Agreement are solely for ease of reference and shall not alter or otherwise affect the meaning hereof. The words "hereof" and "herein", and words of similar import, when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement.

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REEL: 1726 FRAME: 0365

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REEL: 008366 FRAME: 0843

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

CANADIAN IMPERIAL BANK OF COMMERCE,  
as Collateral Agent

By: \_\_\_\_\_

Its \_\_\_\_\_

By: \_\_\_\_\_

Its \_\_\_\_\_

RELIANCE INSURANCE COMPANY

By:  \_\_\_\_\_

Its ~~President~~ Vice President

RELIANCE INSURANCE COMPANY  
UNITED MUTUAL INSURANCE COMPANY  
RELIANCE INSURANCE COMPANY

By:  \_\_\_\_\_

Its Vice President



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

CANTONIAN IMPERIAL BANK OF COMMERCE,  
as Collateral Agent

By: Jim EQL

Its Managing Director, 1111 Commercial Court, St. Louis

By: \_\_\_\_\_

Its \_\_\_\_\_

WELLS FARGO BANK

By: \_\_\_\_\_  
Its Senior Vice President

WELLS FARGO BANK  
WELLS FARGO BANK  
WELLS FARGO BANK

By: \_\_\_\_\_  
Its Vice President

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REEL: 1726 FRAME: 0367

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REEL: 008366 FRAME: 0845

**EQUIPMENT UTILIZATION AGREEMENT**

**Contractor:** Morris Material Handling, Inc., Morris Material Handling, Ltd., Hercules S.A. de C.V., FMMR Holding Company, Material Handling L.L.C., MHE Canada, ULC, Red Cross ULC, Lowfile Limited, Birmingham Crana & Hoist, Inc., Morris Blooms Pte Ltd., FMMR Services, Inc., Material Handling Equipment Nevada Corporation, MHE Technologies, Inc., MPH Crane, Inc., PMR Middle East, Ltd., 1016117 Nova Scotia U.L.C., Invercoe Engineering Limited, MHE (Holdings) Limited, Butters Engineering Limited, Morris Mechanical Handling Limited, MHE International Limited, Linear Motors Limited, UK Crane Services Limited, Vaughan Crane Company Ltd., Royce Ltd., Morris Mechanical Handling, Inc., Morris Mechanical Handling (Pty) Limited, Harnischfeger Distribution & Service, LLC., Mondel LLC, Kavacit LLC, Hydramach LLC, MPH Material Handling, LLC, MPH Material Handling, LLC, MPH Material Handling, LLC, MPH Material Handling, Inc.

**Bank:** Canadian Imperial Bank of Commerce,  
as Collateral Agent  
425 Lexington Avenue  
New York, New York 10017

**Credit Agreement:** Credit Agreement dated as of March 30, 1994, as amended, among the Contractor and/or certain affiliates of the Contractor, and the Bank and the other agents and lenders (the "Bank Group"), as it may from time to time be further supplemented, modified or amended.

**Surety:** Reliance Surety Company  
Reliance Insurance Company  
United Pacific Insurance Company  
Reliance National Indemnity Company  
3 Parkway  
Philadelphia, Pennsylvania 19102  
Attention: Surety Department

**Surety Bond(s):** Any and all forms of bonds on which the Surety is now or hereafter becomes surety at the request of the Contractor and on which such Contractor is designated as principal.

**Surety Lease:** Any lease of Contract Equipment entered into by Bank and Surety upon the exercise

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REEL: 1726 FRAME: 0368

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REEL: 008366 FRAME: 0846

of the option granted to Surety by Contractor pursuant to paragraph 1 of this Equipment Utilization Agreement.

**Contract Equipment:**

Any real estate and equipment which Surety reasonably determines is necessary to complete and perform contracts for which Contractor has furnished or will furnish Surety Bonds.

**Default:**

As used in this Equipment Utilization Agreement, "Default" shall mean:

- a. Any event of default which results in a termination by the obligee/owner of any contract for which the Surety has provided Surety Bond(s), or
- b. The financial inability or unwillingness on the part of the Contractor to perform its obligations under any such contract, which results in the Surety being required, or electing, to remedy such termination or failure to perform by completing the contract, or otherwise arranging for completion, whether through such Contractor or another entity.

WHEREAS, the Contractor has obtained and/or may obtain Surety Bonds, and

WHEREAS, the Contractor is now or may hereafter become indebted to the Bank on behalf of the Bank Group on debts which may be secured by, among other things, mortgages, liens, assignments, etc. on the Contract Equipment, and

WHEREAS, the Surety will not become surety on new bonds requested by the Contractor unless the Surety is granted a right to have access to, and utilization of, the Contract Equipment, notwithstanding the Bank's security interests in such Contract Equipment so as to enable the Surety to properly perform its obligations under the various Surety Bonds in the event of a Default in the performance of such obligations by the Contractor.

NOW, THEREFORE, the undersigned parties agree as follows:

1. Contractor, with the consent of the Bank on behalf of the Bank Group, agrees to and does hereby grant the Surety an option to lease Contractor's Contract Equipment, which option shall be exercisable in the event of a Default. Such option shall be exercisable within ninety (90) days following the Surety's receipt of notice of said Default and shall be exercisable only to the

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REEL: 1726 FRAME: 0369

TRADEMARK

REEL: 008366 FRAME: 0847

extent of the Contract Equipment attributable to such contract(s) which are in Default.

2. Upon the occurrence of any Default and upon the exercise of the Surety's option granted herein, the Surety, Contractor and the Bank, agree that the surety is not required to pay the Bank or Contractor for the Contract Equipment utilized throughout the term of the lease for the Contract Equipment utilized.

3. Upon the exercise of the Surety's option to lease, the lease of the Contract Equipment, shall be on a month-to-month basis for a term not to exceed the time required by the Surety for completion of the contract(s) for Contract Equipment attributable to such contract(s).

4. During the term of the Surety Lease, the Surety shall preserve and maintain said Contract Equipment in good repair, and shall return said Contract Equipment at the end of said lease term in as good a condition as when received by the Surety, ordinary wear and tear excepted. In addition, the Surety shall maintain insurance coverage relative to said Contract Equipment during the term of the lease with proceeds payable to the Bank Group.

5. This Equipment Utilization Agreement shall continue in full force and effect until the Surety has been released from all liability under all Surety Bonds.

6. This Equipment Utilization Agreement is intended to grant the Surety the limited right at its option to lease the Contract Equipment necessary to perform its obligations under Surety Bonds in the event of a Default by the Contractor and is not intended to limit the disposition or use of the Contract Equipment not necessary to accomplish that purpose. The Bank Group shall have the right to foreclose on or otherwise enforce its interests in all Contract Equipment subject to the Surety's right to utilize all Contract Equipment as set forth herein.

7. (a) The Contractor is not obligated to obtain new bonds from the Surety, and the Contractor may replace or cancel its Surety Bonds on which the liability of the Surety can be terminated.

(b) The Surety may become surety on new bonds, extend, renew, increase, or modify bonds at contractor's request, and may at any time for any reason decline to do so without notice to the Bank and without prior approval of the Bank Group.

8. The Bank on behalf of the Bank Group can terminate this Equipment Utilization Agreement by sending written notice to the Contractor and to the Surety by certified or registered mail. Termination shall not be effective as to Surety Bonds the Surety assumes:

(a) before or within ten (10) business days after the Surety receives the Bank's notice, or

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REEL: 1726 FRAME: 0370

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REEL: 008366 FRAME: 0848

- (b) at any time pursuant to bid bonds executed before or within ten (10) business days after the Surety receives the Bank's notice, or
- (c) at any time pursuant to commitments to Contractor to execute bonds made before or within ten (10) business days after the Surety receives the Bank's notice.

9. All notices required under this Equipment Utilization Agreement will be binding upon the parties if sent by certified or registered mail to their respective addresses as set forth herein and shall be effective when received. Each party may change its address by serving notice upon the other parties as provided herein.

10. The rights afforded the Surety, the Bank and Bank Group under this Equipment Utilization Agreement are in addition to, and not in substitution or, any and all other rights which either of them has or acquires against the Contractor under the terms of any other agreement(s), by operation of law, or otherwise. All rights of the Surety, including the rights acquired under this Equipment Utilization Agreement, shall inure to the benefit of the Surety's co-sureties and reinsurers, and their respective successors and assigns. All rights of the Bank and the Bank Group, including the rights acquired under this Equipment Utilization Agreement, shall inure to the benefit of their respective successors and assigns.

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REEL: 1726 FRAME: 0371

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REEL: 008366 FRAME: 0849

IN WITNESS WHEREOF, the parties have caused this Equipment Utilization Agreement to be executed by their duly authorized representatives on \_\_\_\_\_, 1998.

CANADIAN IMPERIAL BANK OF  
COMMERCE

By: \_\_\_\_\_  
Its:


By: \_\_\_\_\_  
Its:

RELIANCE SURETY COMPANY

By:   
Its: *Vice President*

RELIANCE INSURANCE COMPANY  
UNITED PACIFIC INSURANCE  
COMPANY

RELIANCE NATIONAL INDEMNITY COMPANY

By:   
Its: *Vice President*

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REEL: 1726 FRAME: 0372

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REEL: 008366 FRAME: 0850

IN WITNESS WHEREOF, the parties have caused this Equipment Utilization Agreement to be executed by their duly authorized representatives on \_\_\_\_\_, 1998.

CANADIAN IMPERIAL BANK OF  
COMMERCE

By: *[Signature]*  
Its: *President, CIBC Canadian Corp*  
*As Agent*

By: \_\_\_\_\_  
Its: \_\_\_\_\_

RELIANCE SURETY COMPANY

By: \_\_\_\_\_  
Its: \_\_\_\_\_

RELIANCE INSURANCE COMPANY  
UNITED PACIFIC INSURANCE  
COMPANY

RELIANCE NATIONAL INDemnITY COMPANY

By: \_\_\_\_\_  
Its: \_\_\_\_\_

RECORDED: 04/15/1998

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RECORDED: 03/12/2024

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