

06-02-1999

FORM PTO-1618A  
Expires 06/30/99  
OMB 0651-0027



101053441

U.S. Department of Commerce  
Patent and Trademark Office  
TRADEMARK

*MRP*  
*5-26-99*

### RECORDATION FORM COVER SHEET TRADEMARKS ONLY

TO: The Commissioner of Patents and Trademarks: Please record the attached original document(s) or copy(ies).

#### Submission Type

New

Resubmission (Non-Recordation)  
Document ID #

Correction of PTO Error  
Reel #  Frame #

Corrective Document  
Reel #  Frame #

#### Conveyance Type

Assignment  License

Security Agreement  Nunc Pro Tunc Assignment

Merger  Effective Date  
Month Day Year

Change of Name

Other

#### Conveying Party

Mark if additional names of conveying parties attached

Name  Execution Date  
Month Day Year

Formerly

Individual  General Partnership  Limited Partnership  Corporation  Association

Other

Citizenship/State of Incorporation/Organization

#### Receiving Party

Mark if additional names of receiving parties attached

Name

DBA/AKA/TA

Composed of

Address (line 1)

Address (line 2)

Address (line 3)     
City State/Country Zip Code

Individual  General Partnership  Limited Partnership  If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative should be attached. (Designation must be a separate document from Assignment.)

Corporation  Association

Other

Citizenship/State of Incorporation/Organization

06/01/1999 DNGUYEN 00000338 75405364

FOR OFFICE USE ONLY

01 FC:481

40.00 OP

Public burden reporting for this collection of information is estimated to average approximately 30 minutes per Cover Sheet to be recorded, including time for reviewing the document and gathering the data needed to complete the Cover Sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Chief Information Officer, Washington, D.C. 20231 and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Paperwork Reduction Project (0651-0027), Washington, D.C. 20503. See OMB Information Collection Budget Package 0651-0027, Patent and Trademark Assignment Practice. DO NOT SEND REQUESTS TO RECORD ASSIGNMENT DOCUMENTS TO THIS ADDRESS.

Mail documents to be recorded with required cover sheet(s) information to:  
Commissioner of Patents and Trademarks, Box Assignments, Washington, D.C. 20231  
**TRADEMARK**

REEL: 001905 FRAME: 0034

**Domestic Representative Name and Address**

Enter for the first Receiving Party only.

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

**Correspondent Name and Address**

Area Code and Telephone Number

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

**Pages** Enter the total number of pages of the attached conveyance document including any attachments. #

**Trademark Application Number(s) or Registration Number(s)**  Mark if additional numbers attached

Enter either the Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for the same property).

Trademark Application Number(s)

Registration Number(s)

**Number of Properties** Enter the total number of properties involved. #

**Fee Amount** Fee Amount for Properties Listed (37 CFR 3.41): \$

Method of Payment: Enclosed  Deposit Account

Deposit Account (Enter for payment by deposit account or if additional fees can be charged to the account.)  
Deposit Account Number: #

Authorization to charge additional fees: Yes  No

**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. Charges to deposit account are authorized, as indicated herein.

Susan M. Kornfield  
Name of Person Signing

*Susan M. Kornfield*  
Signature

25 May 1999  
Date Signed

## SECURITY AGREEMENT

THIS SECURITY AGREEMENT (the "Agreement") dated as of December 17, 1998, is entered into by and among AutoLign Manufacturing Group, Inc., a Delaware corporation (the "Company") and Comerica Bank, a Michigan banking corporation ("Comerica"), as contractual representative for the benefit of the "Banks" (as referred to below) (in such capacity, the "Agent"). The addresses for Company and Agent are set forth on the signature pages.

### RECITALS:

A. Comerica Bank, in its capacity as a bank, certain financial institutions from time to time party thereto (together with Comerica, each a "Bank" and collectively the "Banks"), and the Agent have agreed to extend certain credit to the Company pursuant to AutoLign Manufacturing Group, Inc. Credit Agreement, dated as of December 17, 1998 (as amended or otherwise modified from time to time, the "Credit Agreement"), executed by and among the Company, the Agent and the Banks.

B. Pursuant to the Credit Agreement, the Banks have required that the Company grant (or cause to be granted) certain liens and security interests to the Agent, all to secure the obligations of the Company under the Credit Agreement.

C. The Company has directly and indirectly benefitted and will directly and indirectly benefit from the transactions evidenced by and contemplated in the Credit Agreement.

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

### **ARTICLE I** **Definitions**

**Section 1.1. Definitions.** As used in this Agreement, capitalized terms not otherwise defined herein or expressly referenced as being defined in the Credit Agreement have the meanings provided for such terms in the Credit Agreement. References to "Sections," "subsections," "Exhibits" and "Schedules" shall be to Sections, subsections, Exhibits and Schedules, respectively, of this Agreement unless otherwise specifically provided. All references to statutes and regulations shall include any amendments of the same and any successor statutes and regulations. References to particular sections of the UCC should be read to refer also to parallel sections of the Uniform Commercial Code as enacted in each state or other jurisdiction where any portion of the Collateral is or may be located.

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

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

“Bank(s)” has the meaning specified in the Recitals.

“Chattel Paper” means any “chattel paper,” as such term is defined in Article or Chapter 9 of the UCC, now owned or hereafter acquired by the Company.

“Collateral” has the meaning specified in Section 2.1 of this Agreement.

“Credit Agreement” has the meaning specified in the Recitals.

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

“Equipment” means any “equipment,” as such term is defined in Article or Chapter 9 of the UCC, now owned or hereafter acquired by the Company and, in any event, shall include, without limitation, all machinery, equipment, furniture, fixtures, trade fixtures, tractors, trailers, rolling stock, vessels, aircraft and vehicles now owned or hereafter acquired by the Company and any and all additions, substitutions and replacements of any of the foregoing, wherever located, together with all attachments, components, parts, equipment and accessories installed thereon or affixed thereto.

“Event of Default” has the meaning specified in the Credit Agreement.

“General Intangibles” means any “general intangibles,” as such term is defined in Article or Chapter 9 of the UCC, now owned or hereafter acquired by the Company and, in any event, shall include, without limitation, each of the following, whether now owned or hereafter acquired by the Company: (a) all of the Company’s service marks, trade names, trade secrets, registrations, goodwill, franchises, licenses, permits, proprietary information, customer lists, designs and inventions including without limitation those items of property listed in Schedule E to this

Agreement; (b) all of the Company's books, records, data, plans, manuals, computer software, computer tapes, computer disks, computer programs, source codes, object codes and all rights of the Company to retrieve data and other information from third parties; (c) all of the Company's contract rights, partnership interests, joint venture interests, securities, deposit accounts, investment accounts and certificates of deposit; (d) all rights of the Company to payment under letters of credit and similar agreements; (e) all tax refunds and tax refund claims of the Company; (f) all choses in action and causes of action of the Company (whether arising in contract, tort or otherwise and whether or not currently in litigation) and all judgments in favor of the Company; (g) all rights and claims of the Company under warranties and indemnities; and (h) all rights of the Company under any insurance, surety or similar contract or arrangement.

"Indebtedness" has the meaning specified in the Credit Agreement.

"Instrument" means any "instrument," as such term is defined in Article or Chapter 9 of the UCC, now owned or hereafter acquired by the Company, and, in any event, shall include all promissory notes, drafts, bills of exchange and trade acceptances of the Company, whether now owned or hereafter acquired.

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

"Loan Documents" has the meaning specified in the Credit Agreement.

"Permitted Liens" has the meaning specified in Section 3.1 of this Agreement.

"Pledged Shares" means the shares of capital stock or other equity, partnership or membership interests described on Schedule C attached hereto and incorporated herein by reference.

"Proceeds" means any "proceeds," as such term is defined in Article or Chapter 9 of the UCC and, in any event, shall include, but not be limited to, (a) any and all proceeds of any insurance, indemnity, warranty or guaranty payable to the Company from time to time with respect to any of the Collateral, (b) any and all payments (in any form whatsoever) made or due and payable to the Company from time to time in connection with any requisition, confiscation, condemnation, seizure or forfeiture of all or any part of the Collateral by any governmental authority (or any Person acting, or purporting to act, for or on behalf of any governmental authority), and (c) any and all other amounts from time to time paid or payable under or in connection with any of the Collateral.

“Records” is defined in Section 4.8 of this Agreement.

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

## **ARTICLE II** **Security Interest**

**Section 2.1. Security Interest.** As collateral security for the prompt payment and performance in full when due of the Indebtedness (whether at stated maturity, by acceleration or otherwise), the Company hereby pledges and assigns (as collateral) to the Agent, and grants the Agent a continuing lien on and security interest in, all of the Company’s right, title and interest in and to the following, whether now owned or hereafter arising or acquired and wherever located (collectively, the “Collateral”):

- (a) all Accounts;
- (b) all Chattel Paper;
- (c) all General Intangibles;
- (d) all Equipment;
- (e) all Inventory;
- (f) all computer records (“Computer Records”) and software (“Software”), whether relating to the foregoing Collateral or otherwise, but in the case of such Software, subject to the rights, of any non-affiliated licenses of software;
- (g) all shares of stock (or the equity, partnership or membership interests) of the Subsidiaries of Company from time to time owned or acquired by the Company in any manner, and the certificates and all dividends, cash, instruments, rights and other property from time to time received, receivable or otherwise distributed or distributable in respect of or in exchange for any or all of such shares; and
- (h) the Proceeds, in cash or otherwise, of any of the property described in the foregoing clauses (a) through (g) and all liens, security, rights, remedies and claims of the Company with respect thereto;

provided, however, that “Collateral” shall not include rights under or with respect to any General Intangible, license, permit or authorization to the extent any such General Intangible, license, permit or authorization, by its terms or by law, prohibits the assignment of, or the granting of a security interest in, the rights of a grantor thereunder or which would be invalid or enforceable upon any such assignment or grant.

**Section 2.2. Company Remains Liable.** Notwithstanding anything to the contrary contained herein, (a) the Company shall remain liable under the contracts, agreements, documents and instruments included in the Collateral to the extent set forth therein to perform all of its duties and obligations thereunder to the same extent as if this Agreement had not been executed and pay when due any taxes, (b) the exercise by the Agent or any of the Banks of any of their respective rights or remedies hereunder shall not release the Company from any of its duties or obligations under the contracts, agreements, documents and instruments included in the Collateral, and (c) neither the Agent nor any of the Banks shall have any indebtedness, liability or obligation (by assumption or otherwise) under any of the contracts, agreements, documents and instruments included in the Collateral by reason of this Agreement, and none of such parties shall be obligated to perform any of the obligations or duties of the Company thereunder or to take any action to collect or enforce any claim for payment assigned hereunder.

**Section 2.3. Delivery of Collateral.** All certificates or instruments representing or evidencing the Pledged Shares, promptly upon the Company gaining any rights therein, shall be delivered to and held by or on behalf of the Agent pursuant hereto in suitable form for transfer by delivery, or accompanied by duly executed instruments of transfer or assignment in blank, all in form and substance reasonably satisfactory to the Agent.

### **ARTICLE III** **Representations and Warranties**

To induce the Agent to enter into this Agreement and the Credit Agreement, and to induce the Banks to enter into the Credit Agreement, the Company represents and warrants to the Agent and to each Bank that as of the date hereof:

**Section 3.1. Title.** The Company is, and with respect to Collateral acquired after the date hereof the Company will be, the legal and beneficial owner of the Collateral free and clear of any Lien or other encumbrance, except for Liens which constitute Liens which are permitted under Section 8.7 of the Credit Agreement (hereinafter, “Permitted Liens”).

**Section 3.2. Financing Statements.** No financing statement, security agreement or other Lien instrument covering all or any part of the Collateral is on file in any public office with respect to any outstanding obligation of Company except (i) as may have been filed in favor of the Agent pursuant to this Agreement, (ii) financing statements filed to perfect Permitted Liens, (iii) Liens securing obligations which are to be paid with the initial advances obtained pursuant to the Credit Agreement and (iv) Liens described in Section 3.1 herein. As of the date hereof, and to the best of Company’s knowledge, except as otherwise disclosed on Schedule D hereto,

the Company does not do business and has not done business within the past five (5) years under a trade name or any name other than its legal name set forth at the beginning of this Agreement.

**Section 3.3. Principal Place of Business.** The principal place of business and chief executive office of the Company, and the office where the Company keeps its books and records, is located at the address of the Company shown on the signature page hereto.

**Section 3.4. Location of Collateral.** All Inventory (except Inventory in transit) and Equipment (other than vehicles) of the Company in the possession of the Company are located at the places specified on Schedule A hereto. If any such location is leased by the Company as of the date hereof, the name and address of the landlord leasing such location is identified on Schedule A hereto. None of the Inventory or Equipment of the Company (other than trailers, rolling stock, vessels, aircraft and vehicles) is evidenced by a Document (including, without limitation, a negotiable document of title). All share certificates of the Company representing shares of stock of any Subsidiary will be delivered to the Agent, accompanied by executed stock powers with respect thereto.

**Section 3.5. Perfection.** Upon the filing of Uniform Commercial Code financing statements in the jurisdictions listed on Schedule B attached hereto, and upon the Agent's obtaining possession of the share certificates evidencing the Pledged Shares, the security interest in favor of the Agent created herein will constitute a valid and perfected Lien upon and security interest in the Collateral which may be created and perfected under the UCC by filing financing statements or obtaining possession thereof, subject to no equal or prior Liens except for those (if any) which constitute Permitted Liens.

**Section 3.6. Pledged Shares.**

(a) The Pledged Shares that are shares of a corporation have been duly authorized and validly issued and are fully paid and nonassessable, and the Pledged Shares that are membership interests or partnership units (if any) have been validly granted, under the laws of the jurisdiction of organization of the issuers thereof.

(b) The Company is the legal and beneficial owner of the Pledged Shares, free and clear of any Lien (other than the Liens created by this Agreement and the Permitted Liens), and the Company has not sold, granted any option with respect to, assigned, transferred or otherwise disposed of any of its rights or interest in or to the Pledged Shares. None of the Pledged Shares are subject to any contractual or other restrictions upon the pledge or other transfer of such Pledged Shares, other than those imposed by securities laws generally.

(c) On the date hereof, the Pledged Shares constitute the percentage of the issued and outstanding shares of stock, partnership units or membership interests of the issuers thereof indicated on Schedule C and such schedule contains a description of all shares of capital stock, membership interests and other equity interests of or in its Subsidiaries owned by the Company



(as such Schedule C may from time to time be supplemented, amended or modified in accordance with the terms of this Agreement).

## **ARTICLE IV**

### **Covenants**

The Company covenants and agrees with the Agent that until the Indebtedness is paid and performed in full and all commitments to lend or provide other credit accommodations under the Credit Agreement have been terminated:

**Section 4.1. Encumbrances.** The Company shall not create, permit or suffer to exist, and shall defend the Collateral against, any Lien or other encumbrance (other than the Liens created by this Agreement and the Permitted Liens) or any restriction upon the pledge or other transfer thereof (other than as provided in the Credit Agreement), and shall, subject to the Permitted Liens, defend the Company's title to and other rights in the Collateral and the Agent's pledge and collateral assignment of and security interest in the Collateral against the claims and demands of all Persons. Except to the extent expressly permitted by the Credit Agreement, the Company shall do nothing to impair the rights of the Agent in the Collateral.

**Section 4.2. Collection of Accounts and Contracts; No Commingling.** The Company shall, in accordance with its usual business practices, endeavor to collect or cause to be collected from each account debtor under its Accounts, as and when due, any and all amounts owing under such Accounts.

**Section 4.3. Disposition of Collateral.** To the extent prohibited by the terms of the Credit Agreement, the Company shall not enter into or consummate any transfer or other disposition of assets without the prior written consent of the requisite Banks according to the terms of the Credit Agreement.

**Section 4.4. Further Assurances.** At any time and from time to time, upon the request of the Agent, and at the sole expense of the Company, the Company shall promptly execute and deliver all such further agreements, documents and instruments and take such further action as the Agent may reasonably deem necessary or appropriate to preserve and perfect its security interest in and pledge and collateral assignment of the Collateral and carry out the provisions and purposes of this Agreement or to enable the Agent to exercise and enforce its rights and remedies hereunder with respect to any of the Collateral. Except as otherwise expressly permitted by the terms of the Credit Agreement relating to disposition of assets, except for Permitted Liens, the Company agrees to use reasonable efforts to maintain and preserve such Lien. Without limiting the generality of the foregoing, the Company shall (a) execute and deliver to the Agent such financing statements as the Agent may from time to time require; and (b) execute and deliver to the Agent such other agreements, documents and instruments, including without limitation stock powers, as the Agent may require to perfect and maintain the validity, effectiveness and priority of the Liens intended to be created hereunder. The Company authorizes the Agent to file one

or more financing or continuation statements, and amendments thereto, relating to all or any part of the Collateral without the signature of the Company unless otherwise prohibited by law.

**Section 4.5. Insurance.** The Company shall maintain insurance in the types and amounts, under the terms and conditions, specified in the Credit Agreement. Recoveries under any such policy of insurance shall be paid as provided in the Credit Agreement.

**Section 4.6. Bailees.** If any of the Collateral is at any time in the possession or control of any warehouseman, bailee or any of the Company's agents or processors, the Company shall, at the request of the Agent, notify such warehouseman, bailee, agent or processor of the security interest created hereunder and shall instruct such Person to hold such Collateral for the Agent's account subject to the Agent's instructions.

**Section 4.7. Corporate Changes.** The Company shall not change its name, identity or corporate structure in any manner that might make any financing statement filed in connection with this Agreement seriously misleading within the meaning of Section 9-402(8) of the UCC unless the Company shall have given the Agent thirty (30) days prior written notice thereof and shall have taken all action deemed necessary or desirable by the Agent to protect its Liens and the perfection and priority thereof. The Company shall not change its principal place of business, chief executive office or the place where it keeps its books and records unless it shall have given the Agent thirty (30) days prior written notice thereof and shall have taken all action deemed necessary or desirable by the Agent to cause its security interest in the Collateral to be perfected with the priority required by this Agreement.

**Section 4.8. Books and Records; Information.** The Company shall keep accurate and complete books and records (the "Records") of the Collateral and the Company's business and financial condition in accordance with the Credit Agreement. The Company shall from time to time at the request of the Agent deliver to the Agent such information regarding the Collateral and the Company as the Agent may reasonably request, including, without limitation, lists and descriptions of the Collateral and evidence of the identity and existence of the Collateral. Company shall mark its books and records to reflect the security interest of the Agent under this Agreement. Furthermore, the Company shall permit the Agent and its representatives to examine, inspect and audit the Collateral and to examine, inspect and audit the Company's books and Records as otherwise provided under the Credit Agreement.

**Section 4.9. Administrative and Operating Procedures.** The Company will maintain and implement administrative and operating procedures, and keep and maintain, or obtain, as and when required, all documents, books, records and other information reasonably necessary or advisable for the collection of all amounts due. The Company will give the Agent notice of any material change in the administrative and operating procedures of the Company referred to in the previous sentence.

#### **Section 4.10. Equipment and Inventory.**

(a) The Company shall keep the Equipment (other than vehicles) and Inventory (other than Inventory in transit) which is in Company's possession at any of the locations specified on Schedule A hereto or, upon thirty (30) days prior written notice to the Agent, at such other places within the United States of America where all action required to perfect the Agent's security interest in the Equipment and Inventory with the priority required by this Agreement shall have been taken.

(b) The Company shall maintain the Equipment and Inventory in accordance with the terms of the Credit Agreement.

**Section 4.11. Notification.** The Company shall promptly notify the Agent in writing of any Lien, encumbrance or claim (other than a Permitted Lien) that has attached to or been made or asserted against any of the Collateral upon becoming aware of the existence of such Lien, encumbrance or claim.

**Section 4.12. Collection of Accounts.** So long as no Event of Default has occurred and is continuing and except as otherwise provided in this Section 4.12 and in Section 5.1, the Company shall have the right to collect and receive payments on the Accounts, and to use and expend the same in its operations. In connection with such collections, the Company may take (and, at the Agent's direction following the occurrence and during the continuance of an Event of Default, shall take) such actions as the Company or the Agent may deem necessary or advisable to enforce collection of the Accounts.

#### **Section 4.13. Voting Rights; Distributions, Etc.**

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

(i) The Company shall be entitled to exercise any and all voting and other consensual rights (including, without limitation, the right to give consents, waivers and ratifications) pertaining to any of the Pledged Shares or any part thereof; provided, however, that no vote shall be cast or consent, waiver or ratification given or action taken without the prior written consent of the Agent which would violate any provision of this Agreement or the Credit Agreement; and

(ii) the Company shall be entitled to receive and retain any and all dividends and interest paid in respect to any of the Pledged Shares to the extent permitted by the Credit Agreement.

(b) Upon the occurrence and during the continuance of an Event of Default:

(i) The Agent may, without notice to the Company, transfer or register in the name of the Agent or any of its nominees, for the equal and ratable benefit of the Banks,

any or all of the Pledged Shares, the Proceeds thereof (in cash or otherwise) held by the Agent hereunder, and the Agent or its nominee may thereafter, after delivery of notice to the Company, exercise all voting and corporate rights at any meeting of any corporation issuing any of the Pledged Shares and any and all rights of conversion, exchange, subscription or any other rights, privileges or options pertaining to any of the Pledged Shares as if the Agent were the absolute owner thereof, including, without limitation, the right to exchange, at its discretion, any and all of the Pledged Shares upon the merger, consolidation, reorganization, recapitalization or other readjustment of any corporation issuing any of such Pledged Shares or upon the exercise by any such issuer or the Agent of any right, privilege or option pertaining to any of the Pledged Shares, and in connection therewith, to deposit and deliver any and all of the Pledged Shares with any committee, depository, transfer agent, registrar or other designated agency upon such terms and conditions as the Agent may determine, all without liability except to account for property actually received by it, but the Agent shall have no duty to exercise any of the aforesaid rights, privileges or options, and the Agent shall not be responsible for any failure to do so or delay in so doing.

(ii) All rights of the Company to exercise the voting and other consensual rights which it would otherwise be entitled to exercise pursuant to Section 4.13(a)(i) and to receive the dividends, interest and other distributions which it would otherwise be authorized to receive and retain pursuant to Section 4.13(a)(ii) shall be suspended until such Event of Default shall no longer exist, and all such rights shall, until such Event of Default shall no longer exist, thereupon become vested in the Agent which shall thereupon have the sole right to exercise such voting and other consensual rights and to receive and hold as Pledged Shares such dividends, interest and other distributions.

(iii) All dividends, interest and other distributions which are received by the Company contrary to the provisions of this Section 4.13(b) shall be received in trust for the benefit of the Agent, shall be segregated from other funds of the Company and shall be forthwith paid over to the Agent as Collateral in the same form as so received (with any necessary endorsement).

(iv) The Company shall execute and deliver (or cause to be executed and delivered) to the Agent all such proxies and other instruments as the Agent may reasonably request for the purpose of enabling the Agent to exercise the voting and other rights which it is entitled to exercise pursuant to this Section 4.13(b) and to receive the dividends, interest and other distributions which it is entitled to receive and retain pursuant to this Section 4.13(b). The foregoing shall not in any way limit the Agent's power and authority granted pursuant to Section 5.1.

**Section 4.14. Transfers and Other Liens; Additional Investments.** Except as may be expressly permitted by the terms of the Credit Agreement or this Agreement, the Company agrees that (i) it will not permit any issuer of Pledged Shares to issue any shares of stock, membership interests, partnership units, notes or other securities or instruments in addition to or in substitution

for any of the Collateral, except with the written consent of the Agent, (ii) it will pledge hereunder, immediately upon its acquisition (directly or indirectly) thereof, any and all such shares of stock, membership interests, partnership units, notes or instruments, and (iii) promptly (and in any event within three Business Days) deliver to the Agent an Amendment, duly executed by the Company, in substantially the form of Exhibit A hereto (an “Amendment”), in respect of such shares of stock, membership interests, partnership units, notes or instruments, together with all certificates, notes or other instruments representing or evidencing the same. The Company hereby (x) authorizes the Agent to attach each Amendment to this Agreement, (y) agrees that all such shares of stock, membership interests, partnership units, notes or instruments listed on any Amendment delivered to the Agent shall for all purposes hereunder constitute Pledged Shares, and (z) is deemed to have made, upon such delivery, the representations and warranties contained in Sections 3.1, 3.2, 3.4, 3.5 and 3.8 of this Agreement with respect to such Collateral.

**Section 4.15. Possession; Reasonable Care.** Regardless of whether an Event of Default has occurred or is continuing, the Agent shall have the right to hold in its Possession all Pledged Shares pledged, assigned or transferred hereunder and from time to time constituting a portion of the Collateral. The Agent may appoint one or more agents (which in no case shall be the Company or an affiliate of the Company) to hold physical custody, for the account of the Agent, of any or all of the Collateral. The Agent shall be deemed to have exercised reasonable care in the custody and preservation of the Collateral in its possession if the Collateral is accorded treatment substantially equal to that which the Agent accords its own property, it being understood that the Agent shall not have any responsibility for (a) ascertaining or taking action with respect to calls, conversions, exchanges, maturities, tenders or other matters relative to any Collateral, whether or not the Agent has or is deemed to have knowledge of such matters, or (b) taking any necessary steps to preserve rights against any parties with respect to any Collateral. Following the occurrence and continuance (beyond any applicable grace or cure period) of an Event of Default, the Agent shall be entitled to take possession of the Collateral to the extent permitted by the UCC.

**Section 4.16. Future Subsidiaries.** With respect to each Person which becomes a Subsidiary subsequent to the date hereof, on the date such Person is created, acquired or otherwise becomes a Subsidiary (whichever first occurs), Company will cause such Subsidiary to execute and deliver to the Agent a security agreement, substantially in the form of this Agreement, granting to the Agent, for the benefit of the Banks, a first priority security interest, mortgage and lien encumbering all right, title and interest of such Person in property, rights and interests of the type included in the definition of the Collateral.

## **ARTICLE V**

### **Rights of the Agent**

**Section 5.1. Power of Attorney.** The Company hereby irrevocably constitutes and appoints the Agent and any officer or agent thereof, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the name of the Company

or in its own name, to take, after the occurrence and during the continuance of an Event of Default, any and all actions, and to execute any and all documents and instruments which the Agent at any time and from time to time deems necessary or desirable, to accomplish the purposes of this Agreement and, without limiting the generality of the foregoing, the Company hereby gives the Agent the power and right on behalf of the Company and in its own name to do any of the following after the occurrence and during the continuance of an Event of Default, without notice to or the consent of the Company:

(i) to demand, sue for, collect or receive, in the name of the Company or in its own name, any money or property at any time payable or receivable on account of or in exchange for any of the Collateral and, in connection therewith, endorse checks, notes, drafts, acceptances, money orders, documents of title or any other instruments for the payment of money under the Collateral or any policy of insurance;

(ii) to pay or discharge taxes, Liens or other encumbrances levied or placed on or threatened against the Collateral;

(iii) (A) to direct account debtors, and any other parties liable for any payment under any of the Collateral to make payment of any and all monies due and to become due thereunder directly to the Agent or as the Agent shall direct; (B) to receive payment of and receipt for any and all monies, claims and other amounts due and to become due at any time in respect of or arising out of any Collateral; (C) to sign and endorse any invoices, freight or express bills, bills of lading, storage or warehouse receipts, drafts against Company's, assignments, proxies, stock powers, verifications and notices in connection with accounts and other documents relating to the Collateral; (D) to commence and prosecute any suit, action or proceeding at law or in equity in any court of competent jurisdiction to collect the Collateral or any part thereof and to enforce any other right in respect of any Collateral; (E) to defend any suit, action or proceeding brought against the Company with respect to any Collateral; (F) to settle, compromise or adjust any suit, action or proceeding described above and, in connection therewith, to give such discharges or releases as the Agent may deem appropriate; (G) to exchange any of the Collateral for other property upon any merger, consolidation, reorganization, recapitalization or other readjustment of the issuer thereof and, in connection therewith, deposit any of the Collateral with any committee, depository, transfer agent, registrar or other designated agency upon such terms as the Agent may determine; (H) to add or release any guarantor, indorser, surety or other party to any of the Collateral; (I) to renew, extend or otherwise change the terms and conditions of any of the Collateral; (J) to make, settle, compromise or adjust any claim under or pertaining to any of the Collateral (including claims under any policy of insurance); and (K) to sell, transfer, pledge, convey, make any agreement with respect to, or otherwise deal with, any of the Collateral as fully and completely as though the Agent were the absolute owner thereof for all purposes, and to do, at the Agent's option and the Company's expense, at any time, or from time to time, all acts and things which the Agent deems necessary to protect, preserve, maintain, or realize upon the Collateral and the Agent's security interest therein.

This power of attorney is a power coupled with an interest and shall be irrevocable. The Agent shall be under no duty to exercise or withhold the exercise of any of the rights, powers, privileges and options expressly or implicitly granted to the Agent in this Agreement, and shall not be liable for any failure to do so or any delay in doing so. Neither the Agent nor any Person designated by the Agent shall be liable for any act or omission or for any error of judgment or any mistake of fact or law. This power of attorney is conferred on the Agent solely to protect, preserve, maintain and realize upon its security interest in the Collateral. The Agent shall not be responsible for any decline in the value of the Collateral and shall not be required to take any steps to preserve rights against prior parties or to protect, preserve or maintain any Lien given to secure the Collateral.

**Section 5.2. Setoff.** Upon the occurrence and during the continuance of an Event of Default, the Agent and the Banks shall have the right to set off and apply against the Indebtedness as provided in the Credit Agreement, at any time and without notice to the Company, any and all deposits (general, time or demand, provisional or final) or other sums at any time credited by or owing from the Agent or any Bank to the Company whether or not the Indebtedness are then due. The rights and remedies of the Agent and the Banks are in addition to other rights and remedies (including, without limitation, other rights of setoff) that the Agent may have under the Credit Agreement.

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

**Section 5.4. Performance by the Agent.** If the Company shall fail to perform any covenant or agreement contained in this Agreement, the Agent may perform or attempt to perform such covenant or agreement on behalf of the Company. In such event, the Company shall, at the request of the Agent, promptly pay any reasonable amount expended by the Agent in connection with such performance or attempted performance to the Agent, together with interest thereon at the interest rate set forth in the Credit Agreement, from and including the date of such expenditure to but excluding the date such expenditure is paid in full. Notwithstanding the foregoing, it is expressly agreed that the Agent shall not have any liability or responsibility for the performance of any obligation of the Company under this Agreement.

**Section 5.5. Certain Costs and Expenses.** The Company shall pay or reimburse the Agent and each Bank within five Business Days after demand for all reasonable costs and expenses (including reasonable attorney's and paralegal fees and expenses supported by an itemized billing) incurred by them in connection with the enforcement, attempted enforcement, or preservation of any rights or remedies under this Agreement or any other Security Document during the existence of an Event of Default or after acceleration of any of the Indebtedness (including in connection with any "workout" or restructuring regarding the Indebtedness, and

including in any insolvency proceeding or appellate proceeding); provided, however, that the Company shall only be required to pay or reimburse the Agent and the Banks for the costs and expenses relating to collection of the Indebtedness held by such parties for one law firm, at any given time, engaged on behalf of the Agent and the Banks and for the attorneys' and paralegals' fees and expenses of the Agent.

**Section 5.6. Indemnification.** The Company shall indemnify, defend and hold the Agent and each Bank and each of their respective officers, directors, employees, counsel, agents and attorneys-in-fact (each, an "Indemnified Person") harmless from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, charges, expenses and disbursements (including reasonable attorneys' and paralegals' fees and expenses) of any kind or nature whatsoever which may at any time (including at any time following repayment of the Indebtedness and the termination, resignation or replacement of the Agent or replacement of any Bank) be imposed on, incurred by or asserted against any such Person in any way relating to or arising out of this Agreement or any other Security Document or any document contemplated by or referred to herein or therein, or the transactions contemplated hereby, or any action taken or omitted by any such Person under or in connection with any of the foregoing, including with respect to any investigation, litigation or proceeding (including any "Insolvency Proceeding" (as defined in the Credit Agreement) or appellate proceeding) related to or arising out of this Agreement or the Indebtedness or the use of the proceeds thereof, whether or not any Indemnified Person is a party thereto (all the foregoing, collectively, the "Indemnified Liabilities"); provided, that the Company shall have no obligation under this Section 5.6 to any Indemnified Person with respect to (a) Indemnified Liabilities to the extent resulting from the gross negligence or willful misconduct of such Indemnified Person or (b) in the case of an action solely among the Agent and/or the Banks (or any of them), or solely as between or among the Agent and/or the Banks (or any of them) on the one hand and the Company on the other hand, if in any such case described in this clause (b), (i) neither the Company nor any of its Affiliates or employees or agents is finally determined, in a court of competent jurisdiction, to have engaged in any wrongful conduct or in any breach of this Agreement or the Credit Agreement or (ii) the Company by non-appealable judgment is the prevailing party. The agreements in this Section shall survive payment of all other Indebtedness.

## **ARTICLE VI**

### **Default**

**Section 6.1. Rights and Remedies.** If an Event of Default shall have occurred and be continuing, the Agent shall have the following rights and remedies subject to the direction and/or consent of the Banks as required under the Credit Agreement:

(i) In addition to all other rights and remedies granted to the Agent in this Agreement, the Credit Agreement or by applicable law, the Agent shall have all of the rights and remedies of a secured party under the UCC (whether or not the UCC applies to the affected Collateral) and the Agent may also, without notice except as specified below or in the Credit Agreement, sell the Collateral or any part thereof in one or more



parcels at public or private sale, at any exchange, broker's board or at any of the Agent's offices or elsewhere, for cash, on credit or for future delivery, and upon such other terms as the Agent may, in its reasonable discretion, deem commercially reasonable or otherwise as may be permitted by law. Without limiting the generality of the foregoing, the Agent may (A) without demand or notice to the Company (except as required under the Credit Agreement or applicable law), collect, receive or take possession of the Collateral or any part thereof, and for that purpose the Agent (and/or its agents, servicers or other independent contractors) may enter upon any premises on which the Collateral is located and remove the Collateral therefrom or render it inoperable, and/or (B) sell, lease or otherwise dispose of the Collateral, or any part thereof, in one or more parcels at public or private sale or sales, at the Agent's offices or elsewhere, for cash, on credit or for future delivery, and upon such other terms as the Agent may, in its reasonable discretion, deem commercially reasonable or otherwise as may be permitted by law. The Agent shall have the right at any public sale or sales, and, to the extent permitted by applicable law, at any private sale or sales, to bid (which bid may be, in whole or in part, in the form of cancellation of indebtedness) and become a purchaser of the Collateral or any part thereof free of any right of redemption on the part of the Company, which right of redemption is hereby expressly waived and released by the Company to the extent permitted by applicable law. Upon the request of the Agent, the Company shall assemble the Collateral and make it available to the Agent at any place designated by the Agent that is reasonably convenient to the Company and the Agent. The Company agrees that the Agent shall not be obligated to give more than fifteen (15) days prior written notice of the time and place of any public sale or of the time after which any private sale may take place and that such notice shall constitute reasonable notice of such matters. The Agent shall not be obligated to make any sale of Collateral if, in the exercise of its reasonable discretion, it shall determine not to do so, regardless of the fact that notice of sale of Collateral may have been given. The Agent may, without notice or publication (except as required by applicable law), adjourn any public or private sale or cause the same to be adjourned from time to time by announcement at the time and place fixed for sale, and such sale may, without further notice, be made at the time and place to which the same was so adjourned. The Company shall be liable for all reasonable expenses of retaking, holding, preparing for sale or the like, and all reasonable attorneys' fees, legal expenses and other costs and expenses incurred by the Agent in connection with the collection of the Indebtedness and the enforcement of the Agent's rights under this Agreement and the Credit Agreement. The Company shall, to the extent permitted by applicable law, remain liable for any deficiency if the Proceeds of any such sale or other disposition of the Collateral (conducted in conformity with this clause (i) and applicable law) applied to the Indebtedness are insufficient to pay the Indebtedness in full. The Agent shall apply the proceeds from the sale of the Collateral hereunder against the Indebtedness in such order and manner as is provided in the Credit Agreement.

(ii) The Agent may cause any or all of the Collateral held by it to be transferred into the name of the Agent or the name or names of the Agent's nominee or nominees.

(iii) The Agent may exercise any and all rights and remedies of the Company under or in respect of the Collateral, including, without limitation, any and all rights of the Company to demand or otherwise require payment of any amount under, or performance of any provision of any of the Collateral and any and all voting rights and corporate powers in respect of the Collateral.

(iv) On any sale of the Collateral, the Agent is hereby authorized to comply with any limitation or restriction with which compliance is necessary (based on a reasoned opinion of the Agent's counsel) in order to avoid any violation of applicable law or in order to obtain any required approval of the purchaser or purchasers by any applicable governmental authority.

(v) For purposes of enabling the Agent to exercise its rights and remedies under this Section 6.1 and enabling the Agent and its successors and assigns to enjoy the full benefits of the Collateral, the Company hereby grants to the Agent an irrevocable, nonexclusive license (exercisable without payment of royalty or other compensation to the Company) to use, assign, license or sublicense any of the Computer Records or Software (including in such license reasonable access to all media in which any of the licensed items may be recorded or stored and all computer programs used for the completion or printout thereof), exercisable upon the occurrence and during the continuance of an Event of Default (and thereafter if Agent succeeds to any of the Collateral pursuant to an enforcement proceeding or voluntary arrangement with Company), except as may be prohibited by any licensing agreement relating to such Computer Records or Software. This license shall also inure to the benefit of all successors, assigns, transferees of and purchasers from the Agent.

(vi) The Agent may require that the Company assign all of its right, title and interest in and to the intellectual property or any part thereof to the Agent or such other Person as the Agent may designate pursuant to documents satisfactory to the Agent.

## **Section 6.2. Private Sales.**

(a) In view of the fact that applicable securities laws may impose certain restrictions on the method by which a sale of the Pledged Shares may be effected after an Event of Default, Company agrees that upon the occurrence and during the continuance of an Event of Default, Agent may from time to time attempt to sell all or any part of the Pledged Shares by a private sale in the nature of a private placement, restricting the bidders and prospective purchasers to those who will represent and agree that they are "accredited investors" within the meaning of Regulation D promulgated pursuant to the Securities Act of 1933, as amended (the "Securities Act"), and are purchasing for investment only and not for distribution. In so doing, Agent may solicit offers for the Pledged Shares, or any part thereof, from a limited number of investors who might be interested in purchasing the Pledged Shares. Without limiting the methods or manner of disposition which could be determined to be commercially reasonable, if Agent hires a firm of regional or national reputation that is engaged in the business of rendering investment banking

and brokerage services to solicit such offers and facilitate the sale of the Pledged Shares, then Agent's acceptance of the highest offer (including its own offer, or the offer of any of the Banks at any such sale) obtained through such efforts of such firm shall be deemed to be a commercially reasonable method of disposition of such Pledged Shares. The Agent shall not be under any obligation to delay a sale of any of the Pledged Shares for the period of time necessary to permit the issuer of such securities to register such securities under the laws of any jurisdiction outside the United States, under the Securities Act or under any applicable state securities laws, even if such issuer would agree to do so.

(b) The Company further agrees to do or cause to be done, to the extent that the Company may do so under applicable law, all such other reasonable acts and things as may be necessary to make such sales or resales of any portion or all of the Collateral valid and binding and in compliance with any and all applicable laws, regulations, orders, writs, injunctions, decrees or awards of any and all courts, arbitrators or governmental instrumentalities, domestic or foreign, having jurisdiction over any such sale or sales, all at the Company's expense.

**6.3 Establishment of Special Account; and Lock Box.** If an Event of Default has occurred and is continuing, immediately upon Agent's request the Indebtedness shall be on a "remittance basis" as follows: There shall be established by the Company with Agent, for the benefit of the Banks in the name of the Agent, a segregated non-interest bearing cash collateral account ("Special Account") bearing a designation clearly indicating that the funds deposited therein are held for the benefit of the Agent and the Banks. Subject to the terms hereof, the Agent shall possess all right, title and interest in and to all funds deposited from time to time in such account. Furthermore, the Company agrees to establish and maintain at Company's sole expense a United States Post Office lock box (the "Lock Box"), to which Agent shall have exclusive access and control. Company expressly authorizes Agent, from time to time, to remove the contents from the Lock Box, for disposition in accordance with this Agreement. Company shall, upon Agent's request, notify all account Companys, (a) other than by electronic funds transfer, shall be remitted, for the credit of Company, to the Lock Box, and Company shall include a like statement on all invoices, and (b) by electronic funds transfer, shall be remitted to the Special Account, and Company shall include a like statement on all invoices. Company shall execute all documents and authorizations as reasonably required by the Agent to establish and maintain the Lock Box and the Special Account.

## **ARTICLE VII** **Miscellaneous**

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

**Section 7.2. Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of the Company and the Agent and their respective heirs, successors and assigns, except that the Company may not assign any of its rights or obligations under this Agreement without the prior written consent of the Agent.

**Section 7.3. AMENDMENT; ENTIRE AGREEMENT.** THIS AGREEMENT EMBODIES THE FINAL, ENTIRE AGREEMENT AMONG THE PARTIES HERETO AND SUPERSEDES ANY AND ALL PRIOR COMMITMENTS, AGREEMENTS, REPRESENTATIONS AND UNDERSTANDINGS, WHETHER WRITTEN OR ORAL, RELATING TO THE SUBJECT MATTER HEREOF AND MAY NOT BE CONTRADICTED OR VARIED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OR DISCUSSIONS OF THE PARTIES HERETO. THERE ARE NO UNWRITTEN ORAL AGREEMENTS AMONG THE PARTIES HERETO. The provisions of this Agreement may be amended or waived only by an instrument in writing signed by the parties hereto except as provided in Section 4.14.

**Section 7.4. Notices.** All notices, requests, consents, approvals, waivers and other communications hereunder shall be in writing (including, by facsimile transmission) and mailed, faxed or delivered to the address or facsimile number specified for notices on signature pages hereto; or, as directed to the Company or the Agent, to such other address or number as shall be designated by such party in a written notice to the other. All such notices, requests and communications shall, when sent by overnight delivery, or faxed, be effective when delivered for overnight (next business day) delivery, or transmitted in legible form by facsimile machine, respectively, or if mailed, upon the third "Business Day" (as defined in the Credit Agreement) after the date deposited into the U.S. mail, or if otherwise delivered, upon delivery; except that notices to the Agent shall not be effective until actually received by the Agent.

**Section 7.5. GOVERNING LAW; SUBMISSION TO JURISDICTION; SERVICE OF PROCESS.** (a) THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF MICHIGAN; PROVIDED THAT THE AGENT AND THE BANKS SHALL RETAIN ALL RIGHTS ARISING UNDER FEDERAL LAW.

(b) ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT OR ANY OTHER SECURITY DOCUMENT MAY BE BROUGHT IN THE COURTS OF THE STATE OF MICHIGAN OR OF THE UNITED STATES FOR THE EASTERN DISTRICT OF MICHIGAN, AND BY EXECUTION AND DELIVERY OF THIS AGREEMENT, EACH OF THE COMPANY AND THE AGENT CONSENTS, FOR ITSELF AND IN RESPECT OF ITS PROPERTY, TO THE NON-EXCLUSIVE JURISDICTION OF THOSE COURTS. EACH OF THE COMPANY AND THE AGENT IRREVOCABLY WAIVES ANY OBJECTION, INCLUDING ANY OBJECTION TO THE LAYING OF VENUE OR BASED ON THE GROUNDS OF FORUM NON CONVENIENS, WHICH IT MAY NOW OR HEREAFTER HAVE TO THE BRINGING OF ANY ACTION OR PROCEEDING IN

SUCH JURISDICTION IN RESPECT OF THIS AGREEMENT OR ANY SECURITY DOCUMENT.

**Section 7.6. Headings.** The headings, captions, and arrangements used in this Agreement are for convenience only and shall not affect the interpretation of this Agreement.

**Section 7.7. Survival of Representations and Warranties.** All representations and warranties made in this Agreement or in any certificate delivered pursuant hereto shall survive the execution and delivery of this Agreement, and no investigation by the Agent shall affect the representations and warranties or the right of the Agent or the Banks to rely upon them.

**Section 7.8. Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

**Section 7.9. Waiver of Bond.** In the event the Agent seeks to take possession of any or all of the Collateral by judicial process, the Company hereby irrevocably waives any bonds and any surety or security relating thereto that may be required by applicable law as an incident to such possession, and waives any demand for possession prior to the commencement of any such suit or action.

**Section 7.10. Severability.** Any provision of this Agreement which is determined by a court of competent jurisdiction to be prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this Agreement, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

**Section 7.11. Construction.** The Company and the Agent acknowledge that each of them has had the benefit of legal counsel of its own choice and has been afforded an opportunity to review this Agreement with its legal counsel and that this Agreement shall be construed as if jointly drafted by the Company and the Agent.

**Section 7.12. Termination.** If all of the Indebtedness (other than contingent liabilities pursuant to any indemnity, including without limitation Section 5.6 hereof, for claims which have not been asserted, or which have not yet accrued) shall have been paid and performed in full and all commitments to extend credit or other credit accommodations under the Credit Agreement have been terminated, the Agent shall, upon the written request of the Company, execute and deliver to the Company a proper instrument or instruments acknowledging the release and termination of the security interests created by this Agreement, and shall duly assign and deliver to the Company (without recourse and without any representation or warranty) such of the Collateral as may be in the possession of the Agent and has not previously been sold or otherwise applied pursuant to this Agreement.

**Section 7.13. WAIVER OF JURY TRIAL.** THE COMPANY AND THE AGENT EACH WAIVES ITS RIGHTS TO A TRIAL BY JURY OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF OR RELATED TO THIS AGREEMENT, THE OTHER SECURITY DOCUMENTS, OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY, IN ANY ACTION, PROCEEDING OR OTHER LITIGATION OF ANY TYPE BROUGHT BY EITHER SUCH PARTY AGAINST THE OTHER, WHETHER WITH RESPECT TO CONTRACT CLAIMS, TORT CLAIMS, OR OTHERWISE. THE COMPANY AND THE AGENT EACH AGREE THAT ANY SUCH CLAIM OR CAUSE OF ACTION SHALL BE TRIED BY A COURT TRIAL WITHOUT A JURY. WITHOUT LIMITING THE FOREGOING, EACH SUCH PARTY FURTHER AGREES THAT ITS RIGHT TO A TRIAL BY JURY IS WAIVED BY OPERATION OF THIS SECTION AS TO ANY ACTION, COUNTERCLAIM OR OTHER PROCEEDING WHICH SEEKS, IN WHOLE OR IN PART, TO CHALLENGE THE VALIDITY OR ENFORCEABILITY OF THIS AGREEMENT OR THE OTHER SECURITY DOCUMENTS OR ANY PROVISION HEREOF OR THEREOF. THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT.

**Section 7.14. Consistent Application.** The rights and duties created by this Agreement shall, in all cases, be interpreted consistently with, and shall be in addition to (and not in lieu of), the rights and duties created by the Credit Agreement. In the event that any provision of this Agreement shall be inconsistent with any provision of the Credit Agreement, such provision of the Credit Agreement shall govern.

\* \* \* \*

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

COMPANY:

**AUTOLIGN          MANUFACTURING  
GROUP, INC.**

By: Philip B Storm

Name: Philip B. Storm

Title: President and CEO

Address for Notices:

620 South Platt Road

Milan, Michigan 48160

Fax No.: (734) 439-0414

Telephone No.: (734) 439-4200

Attention: Phillip B. Storm

AGENT:

**COMERICA BANK, as Agent**

By: Ann Margaret Grew

Name: Ann Margaret (Grew)

Title: Account Officer

Address for Notices:

One Detroit Center

500 Woodward Avenue

6th Floor, MC3244

Detroit, Michigan 48226

Fax No.: (313) 222-5759

Telephone No.: (313) 222-7082

Attention: Ann Margaret Grew

[Signature page to Security Agreement]

**SCHEDULE A  
TO  
SECURITY AGREEMENT**

**Locations of Equipment and Inventory  
(including leased locations) in the Possession of Company**

**Owned Facilities:**

1. 620 Platt Road (equipment and inventory)  
Milan, Michigan 48160

**Leased Facilities:**

2. 401 W. Crosstimbers (inventory)  
Houston, Texas
3. 2928 Irving Boulevard (inventory)  
Dallas, Texas
4. 40 Vreeland Avenue (inventory)  
Totowa, New Jersey
5. 5010 West Pasadena Avenue (inventory)  
Glendale, Arizona
6. 110 East Jefferson Road (equipment and inventory)  
West Memphis, Arkansas



**SCHEDULE B  
TO  
SECURITY AGREEMENT**

**Jurisdiction for Filing  
UCC-1 Financing Statements**

<b>Debtor</b>	<b>Secured Party</b>	<b>Jurisdiction Filed</b>
Colonel's Acquisition Corp. and AutoLign Manufacturing	Comerica Bank, as Agent	Arizona, Secretary of State
Colonel's Acquisition Corp. and AutoLign Manufacturing	Comerica Bank, as Agent	Arkansas, Secretary of State
Colonel's Acquisition Corp. and AutoLign Manufacturing	Comerica Bank, as Agent	Arkansas, Crittenden County
Colonel's Acquisition Corp. and AutoLign Manufacturing	Comerica Bank, as Agent	Delaware, Secretary of State
Colonel's Acquisition Corp. and AutoLign Manufacturing	Comerica Bank, as Agent	Michigan, Secretary of State
Colonel's Acquisition Corp. and AutoLign Manufacturing	Comerica Bank, as Agent	New Jersey, Secretary of State
Colonel's Acquisition Corp. and AutoLign Manufacturing	Comerica Bank, as Agent	Texas, Secretary of State

**SCHEDULE C  
TO  
SECURITY AGREEMENT**

<b>Stock Issuer</b>	<b>Class of Stock</b>	<b>Stock Certificate No(s)</b>	<b>Par Value</b>	<b>Number of Shares</b>	<b>Percentage of Outstanding Shares</b>

No Subsidiaries.

**Schedule D  
TO  
SECURITY AGREEMENT**

Trade and Other Names

Colonel's Acquisition Corp.

**Schedule E  
TO  
SECURITY AGREEMENT**

Intellectual Property

Trademark: AUTOLIGN

U.S. trademark application

S.N. 75/405364

For: Sales of automobile parts and accessories

INT. Class: 042

**EXHIBIT A  
TO  
SECURITY AGREEMENT**

FORM OF AMENDMENT

This Amendment, dated \_\_\_\_\_, 19\_\_, is delivered pursuant to Section 4.14 of the Security Agreement referred to below. The undersigned hereby agrees that this Amendment may be attached to the Security Agreement dated as of December 17, 1998, between the undersigned and Comerica Bank, as the Agent for the benefit of the Banks referred to therein (the "Security Agreement"), and that the shares of stock, membership interests, partnership units, notes or other instruments listed on Schedule 1 annexed hereto shall be and become part of the Collateral referred to in the Security Agreement and shall secure payment and performance of all Indebtedness as provided in the Security Agreement.

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

**AUTOLIGN          MANUFACTURING  
GROUP, INC.**

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

**COMERICA BANK, as Agent**

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

SCHEDULE I  
TO  
EXHIBIT A

Stock Issuer	Class of Stock	Stock Certificate No(s)	Par Value	Number of Shares	Percentage of Outstanding Shares

(wp d0007716.6 wpd — 5327.1)