

**TRADEMARK ASSIGNMENT**

Electronic Version v1.1  
 Stylesheet Version v1.1

<b>SUBMISSION TYPE:</b>	NEW ASSIGNMENT		
<b>NATURE OF CONVEYANCE:</b>	Amendment No. 1 to Security Agreement		
<b>CONVEYING PARTY DATA</b>			
<b>Name</b>	<b>Formerly</b>	<b>Execution Date</b>	<b>Entity Type</b>
Ambassador Publications, LLC		04/27/2007	LIMITED LIABILITY COMPANY: DELAWARE
<b>RECEIVING PARTY DATA</b>			
<b>Name:</b>	RZB Finance LLC		
<b>Street Address:</b>	1133 Avenue of the Americas		
<b>City:</b>	New York		
<b>State/Country:</b>	NEW YORK		
<b>Postal Code:</b>	10036		
<b>Entity Type:</b>	LIMITED LIABILITY COMPANY: DELAWARE		
<b>PROPERTY NUMBERS Total: 1</b>			
<b>Property Type</b>	<b>Number</b>	<b>Word Mark</b>	
<b>Serial Number:</b>	76638533	NUESTRA GUIA	
<b>CORRESPONDENCE DATA</b>			
<b>Fax Number:</b>	(202)756-9299		
	<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>		
<b>Phone:</b>	8002210770		
<b>Email:</b>	matthew.mayer@thomson.com		
<b>Correspondent Name:</b>	Corporation Service Company		
<b>Address Line 1:</b>	1133 Avenue of the Americas		
<b>Address Line 2:</b>	Suite 3100		
<b>Address Line 4:</b>	New York, NEW YORK 10036		
<b>ATTORNEY DOCKET NUMBER:</b>	CSC # 882104		
<b>NAME OF SUBMITTER:</b>	Matthew Mayer		
<b>Signature:</b>	/Matthew Mayer/		

CH \$40.00 76638533

Date:

05/07/2007

**Total Attachments: 29**

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AMENDMENT NO. 1 TO SECURITY AGREEMENT

AMENDMENT NO. 1, dated as of April 27, 2007, to SECURITY AGREEMENT, dated as of April 15, 2005, between AMBASSADOR PUBLICATIONS, LLC (the "Debtor") and RZB FINANCE LLC (the "Secured Party").

WITNESSETH:

WHEREAS, the Debtor is indebted to the Secured Party pursuant to a Loan Agreement dated as of April 15, 2005, as previously amended, and as amended and restated by a First Amended and Restated Loan Agreement dated as of April 27, 2007 (the "Loan Agreement");

WHEREAS, pursuant to a Security Agreement dated as of April 15, 2005 (the "Security Agreement") between the Debtor and the Secured Party, the Debtor granted the Secured party as first-priority security interest in certain collateral as described in the Security Agreement;

WHEREAS, the Debtor and the Secured Party wish to update the description of collateral set forth in certain schedules attached to and made a part of the Security Agreement;

NOW, THEREFORE, the Debtor and the Secured Party, hereby agree as follows:

SECTION 1. Amendment of the Security Agreement. (a) Schedule 1(ii)-2 attached hereto is hereby substituted for Schedule 1(ii)-2 attached to the Security Agreement.

(b) Schedule 1(vii) attached hereto is hereby substituted for Schedule 1(vii) attached to the Security Agreement.

(c) Schedule 3(d) attached hereto is hereby substituted for Schedule 3(d) attached to the Security Agreement.

(d) Schedule 3(f) attached hereto is hereby substituted for Schedule 3(f) attached to the Security Agreement.

SECTION 2. Limited Amendment. Except as expressly provided in this Amendment No. 1, the Security Agreement shall continue in full force and effect.

SECTION 3. Effective Date. This Amendment Agreement shall become effective as of April 27, 2007.

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SECTION 4. Governing Law. This Amendment Agreement shall be governed by and construed in accordance with the laws of the State of New York.

IN WITNESS WHEREOF, the Debtor and the Secured Party have executed this Amendment No. 1 as of the day first above written.

AMBASSADOR PUBLICATIONS, LLC

By: [Signature]  
Name: Kathy Hipple  
Title: CEO

RZB FINANCE LLC

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

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

Title: \_\_\_\_\_

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

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

Title: \_\_\_\_\_

SECTION 4. Governing Law. This Amendment Agreement shall be governed by and construed in accordance with the laws of the State of New York.

IN WITNESS WHEREOF, the Debtor and the Secured Party have executed this Amendment No. 1 as of the day first above written.

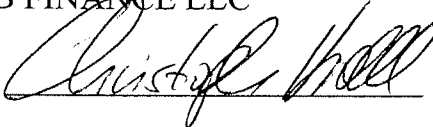
AMBASSADOR PUBLICATIONS, LLC

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

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

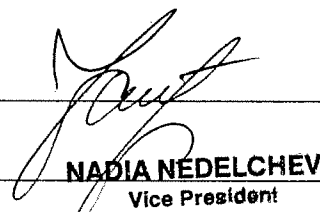
Title: \_\_\_\_\_

RZB FINANCE LLC

By: 

Name: **CHRISTOPH HOEDL**  
~~Group Vice President~~

Title: \_\_\_\_\_

By: 

Name: **NADIA NEDELCHEVA**  
Vice President

Title: \_\_\_\_\_

Schedule 1(ii)-2

DESCRIPTION OF PATENT AND TRADEMARK COLLATERAL

The following description of Collateral supplements, and is a part of, the Security Agreement (the "Security Agreement") dated as of April 15, 2005 between Ambassador Publications, LLC (the "Debtor") and RZB Finance LLC (the "Secured Party"):

A. As used in the Security Agreement, the term "Patents" includes but is not limited to:

Title	Serial Number	Record and Title Holder	Inventor	Filing Date
<i>None</i>				

NONE

B. As used in the Security Agreement, the term "Trademarks" includes but is not limited to:

Jurisdiction of Registration	Trademark	Registration Number	Filing Date
USPTO	Ambassador Yellow Pages	Application number: 76632938	02/28/05
USPTO	Ambassador Publications	Application Number: 76632940	02/28/05
USPTO	City Clicks	Application Number: 76632939	02/28/05
USPTO	Nuestra Guia	Application Number: 76638533	05/13/05
USPTO	Parents Yellow Pages	Application Number: 76466721	10/28/03 (Abandoned)

Schedule 1(vii)

COMMERCIAL TORT CLAIMS

1. Ambassador Publications LLC v. New York Carpet Services; Supreme Court State of New York, New York County; Index Number 602617 2001 –
2. Ambassador Publications LLC v. Great American Restoration; Supreme Court State of New York; New York County, Index Number 602619 2001
3. Ambassador Publications LLC v. Expert Auto Tech. Inc.; Supreme Court State of New York; New York County; Index Number 602620 2001
4. Ambassador Publications, LLC, creditor in Barry E. Greenberg Chapter 11 proceeding in U.S. Bankruptcy Court, New York Southern District, 03-17323-pcb.
5. Ambassador Publications LLC v. Farinella, Gus M., – Supreme Court State of New York, New York County; Index Number 107052 2005
6. Ambassador Publications LLC v. C & H Plumbing and Heating Corp (09/01/06); Supreme Court State of New York, New York County; Index number 112267 2006 - Judgment - 1/16/07
7. Ambassador Publications LLC v. George's Sewer and Drain Cleaning - Supreme Court State of New York, New York County; Index Number 101248 2007
8. Yellow Book USA, Inc. v. Ambassador Publications, LLC and Richard Healy (New York Supreme Court New York County).
9. Elliot Epstein v. Ambassador Publications, LLC (State of New York Department of Labor).
10. Ambassador Publications LLC v. Paul Debiase, Lawrence Stone, Advanced ROI- Supreme Court State of New York, New York County; Index number 600937 2007

Schedule 3(d)

Places of Business (include county)

Chief Executive Office

245 West 17<sup>th</sup> Street, New York, New York 11209 (New York County)

Other Places of Business  
(other than as specified above):

6600 Long Island Expressway, Maspeth, New York (Queens County)  
206 Stonehinge Lane, Carle Place, New York (Nassau County)

Location of Collateral

<u>Location Address, City, County, State</u>	<u>Leased or Owned</u>	<u>Nature of Collateral</u>	<u>Approximate Value of Collateral</u>
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NONE EXCEPT AS SET FORTH ABOVE



Schedule 3(f)

Present and Former Names

(including trade names) of Debtor

<u>Name</u>	<u>Period of Use</u>
1. Ambassador Publications	Within the last five years
2. Ambassador Publishing	Within the last five years
3. Ambassador Yellow Pages	Within the last five years
4. Parents Yellow Pages	Within the last five years
5. Ambassador Paginas Amarillas	Within the last five years
6. Maxmillion Communications, Inc.	Within the last five years
7. City Clicks	Within the last five years
8. aypny.com	Within the last five years
9. Nuestra Guia	Within the last five years

Domain Names: See Attached

SECURITY AGREEMENT  
(General Floating Lien)

SECURITY AGREEMENT (this "Agreement"), dated as of April 15, 2005 between Ambassador Publications, LLC, a Delaware limited liability company (the "Debtor"), with a place of business located at 245 West 17<sup>th</sup> Street, New York, New York 11209, and RZB Finance LLC, a Delaware limited liability company, (the "Secured Party") with a place of business located at 1133 Avenue of the Americas, New York, New York 10036;

W I T N E S S E T H:

WHEREAS, the Debtor and the Secured Party have entered into a Loan Agreement (herein, as at any time amended, extended, restated, renewed or modified, the "Loan Agreement"), dated as of April 15, 2005, pursuant to which the Secured Party has agreed, subject to the terms and conditions set forth therein, to extend credit to the Debtor; and

WHEREAS, it is a condition to the extension of credit by the Secured Party pursuant to the Loan Agreement that the Debtor enter into this Agreement and grant to the Secured Party the security interest provided for herein;

NOW, THEREFORE, FOR VALUE RECEIVED, IT IS AGREED:

Section 1. Terms. Unless otherwise defined herein, the terms used in this Agreement shall have the meaning specified therefor in the Loan Agreement. As used herein, the following terms shall have the meanings specified. All definitions shall include in the singular number the plural and in the plural number the singular:

"Accounts" shall mean the property described in clause (ii) of the definition of Collateral.

"Chattel Paper", "Deposit Account", "Document", "Electronic Chattel Paper", "General Intangible", "Goods", "Instrument", "Investment Property", "Letter-of-Credit Right" and "Supporting Obligation" shall have the respective meanings specified in Section 9-102 of the Uniform Commercial Code, as in effect from time to time in the State of New York.

"Collateral" means all of the Debtor's right, title and interest in and under or arising out of each and all of the following, whether now existing or hereafter arising and wherever located:

- (i) all of the Debtor's Goods including, without limitation:
  - (a) all inventory including, without limitation, all supplies, incidentals, packaging materials, labels, materials and any other items used or usable in manufacturing, processing, packaging or shipping same, in all stages of production -- from raw materials through work-in-progress to finished goods -- and any portion thereof which may be returned, rejected, reclaimed or repossessed from the Debtor's customers, and shall specifically include all "inventory" as such term is defined in the Uniform Commercial Code as in effect on the date hereof in the State of New York; and
  - (b) all of the following (the "Equipment"): all machinery and equipment (including, without limitation, all manufacturing, warehouse, and office machinery and equipment), fixtures, trade fixtures, appliances,

engineering drawings and diagrams, tools and tooling (including any rights in respect of tools or tooling in the possession of others), computer and other data processing equipment, furniture, office, production or data processing supplies on hand or in transit, other miscellaneous supplies and other tangible property of any kind now owned or hereafter acquired by the Debtor or in which the Debtor now has or may hereafter acquire any right, title or interest, including, without limitation, all such property located in any store, plant, warehouse, office or other space leased, owned or occupied by the Debtor and all of the Debtor's interest in all leasehold improvements and any and all additions thereto, substitutions therefor and replacements thereof, together with all attachments, components, parts and accessories installed thereon or affixed thereto; Equipment shall specifically include, all "equipment", as such term is defined in the Uniform Commercial Code as in effect on the date hereof in the State of New York;

- (ii) all of the Debtor's accounts, including (1) every "account", as such term is defined in the Uniform Commercial Code as in effect on the date hereof in the State of New York, of the Debtor, (2) every Contract and (3) the Debtor's rights (including rights to payment) under all Specified Agreements, together with
  - (a) all claims, rights, powers or privileges and remedies of the Debtor relating thereto or arising in connection therewith including, without limitation, all rights of the Debtor to make determinations, to exercise any election (including, but not limited to, election of remedies) or option or to give or receive any notice, consent, waiver or approval, together with full power and authority to demand, receive, enforce, collect or receipt for any property the subject of any Specified Agreement, to enforce or execute any checks, or other instruments or orders, to file any claims and to take any action which (in the opinion of the Secured Party) may be necessary or advisable in connection with any of the foregoing,
  - (b) all liens, security, guaranties, letters of credit, endorsements, warranties and indemnities and all insurance and claims for insurance relating thereto or arising in connection therewith,
  - (c) all rights to property forming the subject matter of the accounts including, without limitation, rights to stoppage in transit and rights to returned or repossessed property,
  - (d) all writings relating thereto or arising in connection therewith including without limitation, all notes, contracts, security agreements, guaranties, chattel paper and other evidence of indebtedness or security, all powers-of-attorney, all books, records, ledger cards and invoices, all credit information, reports or memorandum and all evidence of filings or registrations relating thereto, and
  - (e) all contract rights, General Intangibles (including, without limitation, payment intangibles), Supporting Obligations and other property rights of any nature whatsoever arising out of or in connection with the foregoing, including without limitation, payments due and to become due, whether as repayments, reimbursements, contractual obligations, indemnities, damages or otherwise;

- (iii) all of the Debtor's licenses, Instruments, Documents, Chattel Paper, Deposit Accounts, Investment Property, Letter-of-Credit Rights, General Intangibles (including, without limitation, payment intangibles and software) and Supporting Obligations;
- (iv) all Patents, Trademarks and Copyrights listed in Schedules 1 (ii)-2 and 1 (ii)-3 hereto (and any supplements thereto), together with
  - (a) all inventions, processes, production methods, proprietary information, know-how and trade secrets used or useful in the business of the Debtor, all trade names, service marks, logos, copyrights and the like owned or used by the Debtor and used or useful in the business of the Debtor and goodwill relating to the same; and all licenses or other agreements granted to the Debtor with respect to any of the foregoing, in each case whether now or hereafter owned or used, all information, customer lists, identification of suppliers, data, plans, blueprints, specifications, designs, drawings, recorded knowledge, surveys, engineering reports, test reports, manuals, materials standards, processing standards, performance standards, catalogs, computer and automatic machinery software and programs, and the like pertaining to the operations by the Debtor in, on or about any of its plants or warehouses, all field repair data, sales data and other information relating to sales or service of products now or hereafter manufactured on or about any of its plants; and all accounting information pertaining to operations in, on or about any of its plants and all media in which or on which any of the information or knowledge or data or and all computer programs used for the compilation or printout of such information, knowledge, records or data, and
  - (b) all contract rights, General Intangibles (including, without limitation, payment intangibles and software), Supporting Obligations and other property rights of any nature whatsoever arising out of or in connection with the foregoing;
- (v) all of the Debtor's letters of credit and money;
- (vi) all of the Debtor's customer lists and records of the business and all property of Debtor in the possession of the Secured Party;
- (vii) all of the Debtor's commercial tort claims related to the matters listed on Schedule 1(vii) hereto; and
- (viii) all additions, accessions, replacements, substitutions or improvements and all products and proceeds (including, without limitation, proceeds of insurance), of any and all of the Collateral described in clauses (i) through (vii) above.

"Copyrights" shall mean (i) all United States or other copyrights including, without limitation, those listed on Schedule 1(ii)-3, (ii) all re-issues, continuations, renewals, extensions and continuations-in-part thereof, (iii) the right to sue for past, present and future infringements of the foregoing, and (iv) all rights corresponding to all of the foregoing throughout the world.

"Event of Default" shall mean any default by the Debtor of its obligations under this Agreement and any "Event of Default" as such term is defined in the Loan Agreement.

"Note" shall mean the Revolving Note of the Borrower delivered under or pursuant to the Loan Agreement and any promissory note issued in replacement thereof or substitution therefor.

"Patents" shall mean (i) all United States or other patents (now existing or hereafter arising) including, without limitation, those listed on Schedule 1(ii)-2 to this Agreement and all licenses of United States or other patents listed on said Schedule 1(ii)-2 (together with the patents described in Section 7(g) hereof), (ii) all re-issues, divisions, continuations, renewals, extensions and continuations-in-part thereof, (iii) the right to sue for past, present and future infringements of the foregoing, and (iv) all rights corresponding to all of the foregoing throughout the world.

"Secured Obligations" means any principal, interest, premium, fees and other liabilities and obligations (direct, contingent or otherwise) of the Debtor, now existing or hereafter arising (including future advances) held by, or owing to, the Secured Party including, without limitation, the principal of, and interest on, the Loans and Note and all other obligations of the Debtor under this Agreement, the Loan Agreement, the Note and all other Loan Documents now or hereafter held by, or owing to, the Secured Party.

"Specified Agreements" shall mean all contracts, agreements and instruments described on Schedule 1(ii)-1 annexed hereto or any supplement thereto and including any amendments and/or restatements of any such documents and any contracts, agreements or instruments entered into or issued in substitution or replacement thereof.

"Trademarks" shall mean (i) all United States or other trademarks (now existing or hereafter arising) including, without limitation, those listed on Schedule 1(ii)-2 to this Agreement, together with the goodwill of the business connected with the use of, and symbolized by, such trademarks (together with the trademarks described in Section 7(g) hereof), (ii) all registrations thereon (now existing or hereinafter granted) and all re-issues, divisions, continuations, renewals, extensions and continuations-in-part thereof, (iii) the right to sue for past, present and future infringements of the foregoing, and (iv) all rights corresponding to all of the foregoing throughout the world.

Section 2. Security Interests. As security for the payment and performance of all Secured Obligations, the Debtor (x) does hereby grant and assign to the Secured Party a continuing security interest in all of the Collateral, whether now existing or hereafter arising or acquired and wherever located and (y) agrees to deliver and pledge to the Secured Party all Chattel Paper, Documents and Instruments (now existing or hereafter arising) evidencing or constituting part of the Collateral, together with such endorsements or other instruments of transfer as the Secured Party may specify, such delivery and pledge to be made on the date on which this Agreement is executed and delivered by the Debtor or, if later, the date on which such Documents and/or Instruments arise.

Section 3. General Representations, Warranties and Covenants. The Debtor represents, warrants and covenants, which representations, warranties and covenants shall survive execution and delivery of this Agreement, as follows:

(a) This Agreement is made with full recourse to the Debtor and pursuant to and upon all the warranties, representations, covenants, and agreements on the part of the Debtor contained herein, in the Loan Agreement and otherwise in writing in connection herewith or therewith.

(b) Except for the security interest of the Secured Party therein, the Debtor is, and as to Collateral acquired from time to time after the date hereof the Debtor will be, the owner of all the Collateral free from any lien, security interest, encumbrance or other right, title or interest of any Person

(other than Permitted Liens) and the Debtor shall defend the Collateral against all claims and demands of all Persons at any time claiming the same or any interest therein adverse to the Secured Party. The Secured Party does not authorize, and Debtor agrees not to grant, any security interest in any of the Collateral except in favor of the Secured Party.

(c) There is no financing statement (or similar statement or instrument of registration under the law of any jurisdiction) now on file or registered in any public office covering any interest of any kind in the Collateral, or intended so to be, which has not been terminated or released by the secured party named therein and so long as the Loan Agreement remains in effect or any of the Secured Obligations of the Debtor remain unpaid, the Debtor will not execute and there will not be on file in a public office any financing statement (or similar statement or instrument of registration under the law of any jurisdiction) or statements relating to the Collateral, except financing statements filed or to be filed (x) in respect of and covering the security interest of the Secured Party and (y) as precautionary financing statements filed by equipment lessors pursuant to Section 9-505 of the UCC.

(d) The chief executive office and the places of business of the Debtor are located at the addresses set forth in Schedule 3(d) hereto. The originals of all Specified Agreements and all documents (as well as all duplicates thereof) evidencing all Accounts and all other contract rights or accounts and other property of the Debtor and the only original books of account and records of the Debtor relating thereto are, and will continue to be, kept at such chief executive office and principal place of business. The Debtor has no Collateral at any location except at the locations set forth on Schedule 3(d) hereto.

(e) The Debtor will not change the location of its chief executive office or establish any new location at which it maintains any Collateral unless (i) such new location is within the continental United States, (ii) the Debtor shall have given to the Secured Party not less than 45 days' prior written notice of its intention so to do, clearly describing such new location and providing such other information in connection therewith as the Secured Party may request, (iii) with respect to such new location, it shall have taken such action, satisfactory to the Secured Party (including, without limitation, all action required by Section 8 hereof), to maintain the security interest of the Secured Party in the Collateral at all times fully perfected and in full force and effect and (iv) the Debtor shall have furnished to the Secured Party an opinion of counsel for the Debtor covering such matters as the Secured Party may specify, such opinion to be in form and substance, and rendered by counsel, satisfactory to the Secured Party.

(f) The Debtor has never been organized under the laws of, or otherwise located in, any State or jurisdiction other than the State of Delaware. The legal name of the Debtor is as set forth on the signature page hereto. The Debtor shall not change such state of organization or otherwise change its location, shall not change its name, shall not conduct its business in any other name and shall not take title to the Collateral in any other name while this Agreement remains in effect. The Debtor has never had any name, or conducted business under any name in any jurisdiction, other than its name set forth on the signature page hereto or as listed on a Schedule 3(f) hereto.

(g) At the Debtor's own expense, the Debtor will: (i) without limiting the provisions of the Loan Agreement, keep the Collateral fully insured as required pursuant to the Loan Agreement, by insurers and in amounts approved by the Secured Party, for the benefit of the Debtor and the Secured Party, (ii) promptly deliver the insurance policies or certificates thereof to the Secured Party and (iii) keep the Collateral in good condition at all times and maintain same in accordance with all manufacturer's specifications and requirements. Upon any failure of the Debtor to comply with its obligations pursuant to this Section 3(g), the Secured Party may at its option, and without affecting any of its other rights or remedies provided herein or as a secured party under the UCC, procure the insurance protection it deems necessary and/or cause repairs or modifications to be made to the Collateral and the cost of either or both of which shall be a Secured Obligation and payable on demand with interest at a rate per annum equal to the Past Due Rate in effect from time to time.

(h) The Debtor hereby assigns to the Secured Party any and all moneys which may become due and payable with respect to the Collateral under any policy insuring the Collateral, including money due as a return of unearned premium, and, subject to the terms of this Agreement and the Loan Agreement, directs any such insurance company to make payment directly to the Secured Party; the Debtor hereby authorizes the Secured Party to apply such moneys in payment on account of the Secured Obligations, whether or not due, or toward replacement of the Collateral (as the Secured Party may determine) and to remit any surplus to the Debtor, subject to the terms of this Agreement and the Loan Agreement.

(i) The Debtor will not use the Collateral in violation of any statute or ordinance or applicable insurance policy and will promptly pay all taxes and assessments levied against the Collateral.

(j) The Debtor will not sell, transfer, lease, change the registration, if any, dispose of, attempt to dispose of, modify, amend or abandon the Collateral except to the extent permitted pursuant to the Loan Agreement.

(k) The Debtor will not assert against the Secured Party any claim or defense which the Debtor may have against any seller of the Collateral or any part thereof or against any Person with respect to the Collateral or any part thereof.

(l) The Debtor will indemnify and hold the Secured Party harmless from and against any loss, liability, damage, costs and expenses whatsoever arising from the Debtor's use, operation, ownership or possession of the Collateral or any part thereof.

(m) The Debtor will use its best efforts to maintain the confidentiality of all customer lists and not sell or otherwise dispose of such lists except in the ordinary course of business. The Debtor shall deliver copies thereof to the Secured Party upon its request (with respect to which the Secured Party will use its best efforts to maintain confidential until it exercises its rights and remedies hereunder but, in any event, the Secured Party may furnish any customer list to a professional or consultant for purposes of appraisal), which may be made at any time and from time to time.

(n) The Debtor will not enter into any agreement (for example, a license agreement) that is inconsistent with the Debtor's obligations under this Agreement, without the prior written consent of the Secured Party.

(o) The Debtor will appear in and defend every action or proceeding arising under, growing out of or in any manner connected with the Collateral or the obligations, duties or liabilities of the Debtor and any assignee hereunder or thereunder.

(p) Debtor will not create any Chattel Paper without placing a legend on the Chattel Paper acceptable to the Secured Party indicating that Secured Party has a security interest in the Chattel Paper.

(q) Should the Debtor fail to make any payment or to do any act as provided herein or in any Specified Agreement, the Secured Party may (but without obligation on the Secured Party's part to do so and without notice to or demand on the Debtor and without releasing the Debtor from any obligation hereunder) make or do the same in such manner and to such extent as the Secured Party may deem necessary to protect the security interests provided hereby, including specifically, without limiting the general powers, the right to (i) appear in and defend any action or proceeding purporting to affect the security interests provided hereby and (ii) perform and discharge each and every obligation, covenant and agreement of the Debtor contained in any Specified Agreement and, in exercising any such powers, pay necessary costs and expenses, employ counsel and incur and pay reasonable attorneys' fees. All costs and expenses (including attorney's fees and disbursements) incurred by the Secured Party in

connection with the foregoing, together with interest thereon until paid, at a rate per annum equal to the Past Due Rate from time to time in effect, shall be payable by the Debtor on demand.

Section 4. Special Provisions Concerning Contracts and Specified Agreements. The Debtor represents, warrants and agrees as follows:

(a) The Contracts and Specified Agreements constitute the legal, valid and binding obligations of the Debtor, to the extent that the Debtor is a party thereto, and, to the best of its knowledge, the other parties thereto, enforceable in accordance with their respective terms.

(b) The Debtor will faithfully abide by, perform and discharge each and every obligation, covenant and agreement to be performed by the Debtor under the Contracts and the Specified Agreements, unless contested in good faith or released therefrom.

(c) At the request of the Secured Party, and at the sole cost and expense of the Debtor, the Debtor will enforce or secure the performance of each and every obligation, covenant, condition and agreement contained in the Specified Agreements to be performed by the other parties thereto.

(d) Without the prior written consent of the Secured Party, the Debtor will not modify, amend or agree to vary any of the Specified Agreements in any respect or otherwise act or fail to act in a manner likely to (directly or indirectly) entitle any party thereto to claim that the Debtor is in default under the terms thereof.

(e) The Debtor will not terminate or permit the termination of any Specified Agreement, except in accordance with its terms.

(f) Without the prior written consent of the Secured Party, the Debtor will not waive or in any manner release or discharge any party to any Specified Agreement from any of the obligations, covenants, conditions and agreements to be performed by it, under such Specified Agreement including, without limitation, the obligation to make all payments in the manner and at the time and places specified.

(g) Upon the occurrence and during the continuance of an Event of Default, if the Secured Party so requests, the Debtor will hold any payments received by it which are assigned and set over to the Secured Party by this Agreement for and on behalf of the Secured Party and, in accordance with the Loan Agreement, turn them promptly over to the Secured Party in the same form in which they are received for application in accordance with the terms and conditions of this Agreement and the Loan Agreement.

(h) Upon the request of the Secured Party, the Debtor will send to the Secured Party copies of all notices, documents and other papers furnished or received by it with respect to any of the Specified Agreements.

(i) Upon request by the Secured Party, the Debtor will use its best efforts (but shall not be required to commence suit) to cause each party to each Contract and Specified Agreement (i) to execute a consent to the assignment, as security, of such Contract (or any Account arising thereunder) or Specified Agreement, in such form as the Secured Party may reasonably request and (ii) upon the request of the Secured Party, to comply with such consent.

Section 5. Special Provisions Concerning Accounts.

(a) As of the time when each material Account arises, the Debtor shall be deemed to have warranted as to each such Account that such Account and all papers and documents relating thereto are (i) genuine and in all respects what they purport to be and (ii) represent the genuine, legal,



valid and binding obligation of the account debtor evidencing indebtedness unpaid and owed by such account debtor arising out of the performance of labor or services or the sale and delivery of merchandise or both.

(b) The Debtor will keep and maintain at the Debtor's own cost and expense satisfactory and complete records of the Accounts and the Debtor will make the same available to the Secured Party, at the Debtor's own cost and expense as set forth in the Loan Agreement. If the Secured Party shall so request, the Debtor shall legend, in form and manner satisfactory to the Secured Party, the Accounts and other books, records and documents of the Debtor evidencing or pertaining to the Accounts with an appropriate reference to the fact that the Accounts have been assigned to the Secured Party and that the Secured Party has a security interest therein.

(c) The Debtor shall endeavor to collect all Accounts in accordance with sound business practices. The Debtor will not rescind or cancel any indebtedness evidenced by any Account or modify any term thereof or modify or amend any Contract or make any adjustment with respect thereto, or extend or renew the same, or compromise or settle any dispute, claim, suit or legal proceeding relating to a Contract or to an Account, or sell or assign any Account or Contract, or any interest therein, except to the extent expressly permitted by the Secured Party in writing or expressly permitted pursuant to the Loan Agreement.

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

(e) The Debtor shall endeavor to collect or cause to be collected from the account debtor named in each Account, as and when due (including, without limitation, Accounts which are delinquent, such Accounts to be collected in accordance with generally accepted lawful collection procedures) any and all amounts owing under or on account of such Account, and apply forthwith (on a daily basis) upon receipt thereof all such amounts as are so collected to the outstanding balance of such Account. The costs and expenses (including attorney's fees) of collection, whether incurred by the Debtor or the Secured Party, shall be borne by the Debtor.

(f) If any of the Accounts becomes evidenced by an Instrument, the Debtor will notify the Secured Party thereof, and upon request by the Secured Party promptly deliver such Instrument to the Secured Party appropriately endorsed to the order of the Secured Party as further security for the satisfaction in full of the Secured Obligations.

Section 6. Special Provisions Concerning Equipment. The Debtor will do nothing to impair the rights of the Secured Party in the Equipment. The Debtor shall cause the Equipment to at all times constitute and remain personal property. The Debtor retains all liability and responsibility in connection with the Equipment and the liability of the Debtor to pay the Secured Obligations shall in no way be affected or diminished by reason of the fact that such Equipment may be lost, destroyed, stolen, damaged or for any reason whatsoever unavailable to the Debtor.

Section 7. Special Provisions Concerning Trademarks, Patents and Copyrights. (a) The Debtor (either itself or through licensees) will, for each Trademark, (i) to the extent consistent with past practice, continue to use such Trademark on each and every trademark class of Goods applicable to its current line as reflected in its current catalogs, brochures and price lists in order to maintain such Trademark in full force free from any claim of abandonment for non-use, (ii) maintain as in the past the quality of products and services offered under such Trademark, (iii) employ such Trademark with the appropriate notice of application or registration, (iv) not use such Trademark except for the uses for which registration or application for registration of such Trademark has been made, and (v) not (and not permit any licensee or sublicensee thereof to) do any act or knowingly omit to do any act whereby any

Trademark material to the conduct of Debtor's business may become invalidated.

(b) The Debtor (either itself or through licensees) will, for each Patent and Copyright, not do any act, or omit to do any act, whereby any Patent or Copyright which is material to the conduct of the Debtor's business may become abandoned or dedicated.

(c) The Debtor shall notify the Secured Party immediately if it knows or has reason to know that any application or registration relating to any Patent, Trademark or Copyright which is material to the conduct of the Debtor's business may become abandoned or dedicated, or of any adverse determination or development (including, without limitation, the institution of, or any such determination or development in, any proceeding in the United States Patent and Trademark Office, the United States Copyright Office or any court) regarding the Debtor's ownership of any Patent, Trademark or Copyright which is material to the Debtor's business, its right to register the same, or to keep and maintain the same.

(d) In no event shall the Debtor, either itself or through any agent, employee, licensee or designee, file an application for the registration of any Patent, Trademark or Copyright with the United States Patent and Trademark Office, the United States Copyright Office or any similar office or agency in any other country or any political subdivision thereof, unless it promptly informs the Secured Party, and, upon request of the Secured Party, executes and delivers any and all agreements, instruments, documents, and papers as the Secured Party may request to evidence the Secured Party's security interest in such Patent, Trademark or Copyright and the goodwill and General Intangibles of the Debtor relating thereto or representing thereby, and the Debtor hereby constitutes the Secured Party its attorney-in-fact upon the occurrence and during the continuance of an Event of Default to execute and file all such writings for the foregoing purposes, all acts of such attorney being hereby ratified and confirmed; such power, being coupled with an interest, is irrevocable until the Secured Obligations are paid in full.

(e) The Debtor will take all necessary steps that are consistent with good business practices in any proceeding before the United States Patent and Trademark Office, the United States Copyright Office or any similar office or agency in any other country or any political subdivision thereof, to maintain and pursue each application relating to the Patents, Trademarks and Copyrights (and to obtain the relevant registration) and to maintain each registration of the Patents, Trademarks and Copyrights which is material to the conduct of the Debtor's business, including, without limitation, filing of applications for renewal, affidavits of use, affidavits of incontestability and opposition, interference and cancellation proceedings.

(f) In the event that any Collateral consisting of a Patent, Trademark or Copyright is infringed, misappropriated or diluted by a third party, the Debtor shall notify the Secured Party within five (5) days after it learns thereof and shall, if consistent with good business practice, promptly sue for infringement, misappropriation or dilution and to recover any and all damages for such infringement, misappropriation or dilution, and take such other actions as are appropriate under the circumstances to protect such Collateral consisting of a Patent, Trademark or Copyright.

(g) If, before the Secured Obligations have been satisfied in full, the Debtor obtains rights to any new trademark, patentable invention or copyright, or becomes entitled to the benefit of any trademark, patent or copyright application or patent for any reissue, division, continuation, renewal, extension, or continuation-in-part of any Patent, or any improvement on any Patent, or any trade name, service mark, copyright; permit or license, any and all of the foregoing shall constitute part of the Collateral and the Debtor shall give the Secured Party prompt notice thereof in writing. The Debtor authorizes the Secured Party to modify this Agreement by amending the appropriate schedule hereto to include any future patents, trademarks and copyrights and patent, trademark and copyright applications that are included in Collateral.

(h) The Debtor shall have the duty, through counsel acceptable to the Secured Party, to prosecute diligently any patent or trademark application pending as of the date of this Agreement or thereafter until the Secured Obligations have been paid in full, to make application on unpatented but patentable inventions and to preserve and maintain all rights in patent and trademark applications; provided, however, that the Debtor shall have no obligation to make application on any unpatented but patentable inventions if making such application would be unnecessary or imprudent in the good faith business judgment of the Debtor. Any expenses incurred in connection with such an application shall be borne by the Debtor. The Debtor shall not abandon any right to file a patent, trademark or copyright application or any pending application for any patent, trademark or copyright in the United States without the consent of the Secured Party, which consent shall not be unreasonably withheld.

(i) The Secured Party shall have the right but shall in no way be obligated to bring suit in its own name to enforce the Patents, Trademarks and Copyrights and any license thereunder, in which event the Debtor shall, at the request of the Secured Party, do any and all lawful acts and execute any and all proper documents required by the Secured Party in aid of such action and indemnify the Secured Party for all costs and expenses incurred by the Secured Party in the exercise of its rights under this clause (i).

(j) The Debtor represents and warrants that it has no Patents, Trademarks or Copyrights except such as are listed on the applicable Schedule 1(ii)-2 or Schedule 1(ii)-3 hereto.

Section 8. Financing Statements; Control; Documentary Stamp Taxes. (a) The Debtor will, at its own expense, make, execute, endorse, acknowledge, file and/or deliver to the Secured Party from time to time such lists, descriptions, vouchers, invoices, schedules, confirmatory assignments, conveyances, control agreements, transfer endorsements, powers of attorney, certificates, reports and other assurances or instruments and take such further steps relating to the Collateral and other property or rights covered by the security interest hereby granted, which the Secured Party deems appropriate or advisable to perfect, preserve or protect its security interest in the Collateral. Where Collateral is in the possession of a third party, Debtor will join with Secured Party in notifying the third party of Secured Party's security interest and obtaining an acknowledgment from the third party that it is holding the Collateral for the benefit of Secured Party. The Debtor authorizes the Secured Party to file one or more financing statements describing Collateral and, to the extent Secured Party may deem it necessary, to file amendments thereto. The Debtor authorizes the Secured Party to describe the Collateral as "all assets" or "all personal property" of the Debtor. The Debtor agrees that this Security Agreement reflecting the signature of the Debtor or a photocopy hereof (including a photocopy of the Debtor's signature) may be filed as a financing statement and, in all cases, the Debtor will pay all applicable filing fees and related expenses.

(b) Debtor shall cooperate with Secured Party in Secured Party obtaining control with respect to Collateral consisting of Deposit Accounts, Investment Property, Letter-of-Credit Rights and Electronic Chattel Paper.

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

Section 9. Special Provisions Concerning Remedies and Sale. In addition to any rights and remedies now or hereafter granted under applicable law and not by way of limitation of any such rights and remedies, upon the occurrence and during the continuance of an Event of Default:

(a) The Secured Party shall have all of the rights and remedies of a secured party under the Uniform Commercial Code as enacted in any applicable jurisdiction in addition to the rights and remedies provided herein and in the Loan Agreement and the other Security Documents. The Secured Party shall have the right, without further notice to, or assent by, the Debtor, in the name of the Debtor or in the name of the Secured Party or otherwise:

(i) to ask for, demand, collect, receive, compound and give acquittance for the Accounts or any part thereof; to endorse the name of the Debtor on any checks, drafts or other orders or instruments for the payment of moneys payable to the Debtor which shall be issued in respect of any Account; and to file any claims, commence, maintain or discontinue any actions, suits or other proceedings deemed by the Secured Party necessary or advisable for the purpose of collecting or enforcing payment of any Account;

(ii) to extend the time of payment of, compromise or settle for cash, credit or otherwise, and upon any terms and conditions, any of the Accounts;

(iii) to make test verifications of the Accounts or any portion thereof;

(iv) to enforce Debtor's rights against the account debtors and the obligors; to notify any or all account debtors under any or all of the Accounts to make payment thereof directly to the Secured Party for the account of the Secured Party; and to require the Debtor to forthwith give similar notice to the account debtors;

(v) to require the Debtor forthwith to account for and transmit to the Secured Party in the same form as received all proceeds (other than physical property) of collection of Accounts received by the Debtor and, until so transmitted, to hold the same in trust for the Secured Party and not commingle such proceeds with any other funds of the Debtor;

(vi) to take possession of any or all of the Collateral and, for that purpose, to enter, with the aid and assistance of any Person or Persons and with or without legal process, any premises where the Collateral, or any part thereof, are, or may be, placed or assembled, and to remove any of such Collateral;

(vii) to execute any instrument and do all other things necessary and proper to protect and preserve and realize upon the Collateral and the other rights contemplated hereby;

(viii) upon notice to such effect, to require the Debtor to deliver, at the Debtor's expense, any or all Collateral to the Secured Party at a place designated by the Secured Party; and

(ix) without obligation to resort to other security, at any time and from time to time, to sell, re-sell, assign and deliver all or any of the Collateral, in one or more parcels at the same or different times, and all right, title and interest, claim and demand therein and right of redemption thereof, at public or private sale, for cash, upon credit or for future delivery, and at such price or prices and on such terms as the Secured Party may determine, with the amounts realized from any such sale to be applied to the Secured Obligations in the manner determined by the Secured Party.

Except as otherwise provided herein or as may be required by law, the Debtor hereby agrees that all of the foregoing may be effected without demand, advertisement or notice, all of which are hereby expressly waived, to the extent permitted by law. The Secured Party shall not be obligated to do any of the acts hereinabove authorized, but in the event that the Secured Party elects to do any such act, the Secured Party shall not be responsible to the Debtor except for its gross negligence or willful misconduct. The Secured Party has no obligation to clean-up or otherwise prepare the Collateral for sale.

(b) The Secured Party may institute legal proceedings for the appointment of a receiver or receivers (to which the Secured Party shall be entitled as a matter of right) to take possession of the Collateral pending the sale thereof pursuant either to the powers of sale granted by this Agreement or to a judgment, order or decree made in any judicial proceeding for the foreclosure or involving the enforcement of this Agreement.

(c) To the extent permitted by law which cannot be waived, upon any sale of any of the Collateral, whether made under the power of sale hereby given or under judgment, order or decree in any judicial proceeding for the foreclosure or involving the enforcement of this Agreement:

(i) The Secured Party may bid for and purchase the property being sold, and upon compliance with the terms of sale may hold, retain and possess and dispose of such property in its own absolute right without further accountability, and may, in paying the purchase money therefor, deliver any Note of the Debtor or claims for interest thereon and any instruments evidencing the Secured Obligations or agree to the satisfaction of all or a portion of the Secured Obligations in lieu of cash in payment of the amount which shall be payable for such property, and the Note of the Debtor and such instruments, in case the amounts so payable thereon shall be more than the amount due for such property, shall be returned to the Secured Party after being appropriately stamped or marked to show partial payment.

(ii) The Secured Party may make and deliver to the purchaser or purchasers a good and sufficient deed, bill of sale and instrument of assignment and transfer of the property sold.

(iii) All right, title, interest, claim and demand whatsoever, either at law or in equity or otherwise, of the Debtor of, in and to the property so sold shall be divested; such sale shall be a perpetual bar both at law and in equity against the Debtor, its successors and assigns, and against any and all Persons claiming or who may claim the property sold or any part thereof from, through or under the Debtor, its successors or assigns.

(iv) The receipt of the Secured Party or of the officer thereof making such sale shall be a sufficient discharge to the purchaser or purchasers at such sale for his or their purchase money, and such purchaser or purchasers, and his or their assigns or personal representatives, shall not, after paying such purchase money and receiving such receipt of the Secured Party or of such officer therefor, be obliged to see to the application of such purchase money or be in any way answerable for any loss, misapplication or nonapplication thereof.

(v) To the extent that it may lawfully do so, and subject to any legal requirement that the Secured Party act in a commercially reasonable manner, the Debtor agrees that it will not at any time insist upon, or plead, or in any manner whatsoever claim or take the benefit or advantage of, any appraisal, valuation, stay, extension or redemption laws, or any law permitting it to direct the order in which the Collateral or any part thereof shall be sold, now or at any time hereafter in force, which may delay, prevent or otherwise affect the performance or enforcement of this Agreement, the Loan Agreement or the other Loan Documents. The Debtor hereby expressly waives all benefit or advantage of any such laws and covenants that it will not hinder, delay or impede the execution of any power granted or delegated to the Secured Party in this Agreement, but will suffer and permit the execution of every such power as though no such laws were in force.

In the event of any sale of Collateral pursuant to this Section, the Secured Party shall, at least 10 days before such sale, give the Debtor written notice of its intention to sell, except that, if the Secured Party shall determine in its sole discretion that any of the Collateral threatens to decline speedily in value, any such sale may be made upon 3 days' written notice to the Debtor.

(d) Debtor waives any right it may have to require Secured Party to pursue any third person for any of the Secured Obligations.

(e) The Secured Party may comply with any applicable legal requirement in connection with a disposition of the Collateral and such compliance will not be considered to adversely affect the commercial reasonableness of any sale of the Collateral.

(f) The Secured Party may sell the Collateral without giving any warranties as to the Collateral. Secured Party may specifically disclaim any warranties of title or the like. This procedure will not be considered to adversely affect the commercial reasonableness of any sale of the Collateral.

Section 10. Application of Moneys, etc.

(a) Except as otherwise provided herein or in the Loan Agreement, all moneys which the Secured Party shall receive, in accordance with the provisions hereof, shall be applied (to the extent thereof) in the following manner: First, to the payment of all costs and expenses incurred in connection with the administration and enforcement of, or the preservation of any rights under, this Agreement or any of the reasonable expenses and disbursements of the Secured Party (including, without limitation, the fees and disbursements of its counsel and agents); Second, to the payment of all Secured Obligations arising out of the Loan Documents in accordance with the terms thereof and, if not therein provided, in such order as the Secured Party may determine; and Third, to the payment of all other Secured Obligations in such order as the Secured Party may determine.

(b) If after applying any amounts which the Secured Party has received in respect of the Collateral any of the Secured Obligations remain unpaid, the Debtor shall continue to be liable for any deficiency, together with interest.

(c) Except to the extent otherwise provided by law, after termination of the Loan Agreement and this Agreement and the payment in full of the Secured Obligations, any proceeds of the Collateral received or held by the Secured Party shall be turned over to the Debtor and the Collateral shall be reassigned to the Debtor by the Secured Party without recourse to the Secured Party and without any representations, warranties or agreements of any kind.

(d) If the Secured Party sells any of the Collateral upon credit, the Debtor will be credited only with payments actually made by the purchaser, received by the Secured Party and applied to the indebtedness of the purchaser. In the event the purchaser fails to pay for the Collateral, the Secured Party may resell the Collateral and the Debtor will be credited with the proceeds of the sale.

Section 11. Grant of License to Use Patent, Trademark and Copyright Collateral. For the purpose of enabling the Secured Party to exercise rights and remedies hereunder at such time as the Secured Party, without regard to this Section 11, shall be lawfully entitled to exercise such rights and remedies, and for the purpose of securing the indebtedness secured hereby, the Debtor hereby grants to the Secured Party an irrevocable, non-exclusive license (exercisable at such time as the Secured Party is entitled to exercise rights and remedies without payment of royalty or other compensation to the Debtor) to use, license or sublicense any Patent, Trademark or Copyright, now owned or hereafter acquired by the Debtor, and wherever the same may be located, and including in such license reasonable access to all media in which any of the licensed items may be recorded or stored and to all computer and automatic machinery software and programs used for the compilation or printout thereof. Such license in favor of the Secured Party shall terminate upon satisfaction in full of all Secured Obligations and termination of this Agreement and the Loan Agreement.

Section 12. License to the Debtor. Unless and until there has occurred and is continuing an Event of Default, the Secured Party hereby grants to the Debtor the exclusive, nontransferable right and license to use the Trademarks and Copyrights and to make, have made, use and sell the inventions disclosed and claimed in the Patents for the Debtor's benefit and account and for none other. The Debtor agrees not to sell or assign its interest in, or grant any sublicense under, the license granted to the Debtor in this Section 12 without the prior written consent of the Secured Party.

Section 13. Fees and Expenses, etc. Any and all fees, costs and expenses of whatever kind or nature, including the reasonable attorneys' fees and legal expenses incurred by the Secured Party in connection with this Agreement, the filing or recording of any documents (including all taxes in connection therewith) in public offices, the payment or discharge of any taxes or any Lien on the Collateral, counsel fees, maintenance fees, encumbrances or otherwise incurred in connection with protecting, maintaining, preserving the Collateral, or in defending or prosecuting any actions or proceedings arising out of or related to the Collateral, the enforcement of this Agreement, the collection of the Secured Obligations or the realization upon any Collateral shall be borne and paid by the Debtor on demand by the Secured Party and until so paid shall be added to the principal amount of the Secured Obligations and shall bear interest at a rate per annum equal to the Past Due Rate from time to time in effect. In addition, the Debtor will pay, and indemnify and hold the Secured Party harmless from and against, any and all liabilities, obligations, losses, damages penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever with respect to the Collateral, including (without limitation) claims of patent or trademark infringement and any claim of unfair competition or anti-trust violation, provided that the Debtor shall have no obligation hereunder with respect to such indemnification arising from the Secured Party's gross negligence or willful misconduct in the use, assignment and sub-licensing of the patents and trademarks that are covered by this Agreement. The provisions of this Section 13 shall survive the payment of all Secured Obligations and the termination of this Agreement.

Section 14. Miscellaneous. (a) Any notice or demand upon the Debtor shall be deemed to have been sufficiently given or served for all purposes thereof when given or served in the manner specified for notices set forth in the Loan Agreement. All notices to the Secured Party shall be deemed to have been given when delivered in the manner specified for notices set forth in the Loan Agreement.

(b) No delay on the part of the Secured Party in exercising any of its rights, remedies, powers and privileges hereunder or partial or single exercise thereof, shall constitute a waiver thereof. None of the terms and conditions of this Agreement may be changed, waived, modified or varied in any manner whatsoever unless in writing duly signed by the Debtor and the Secured Party. No notice to or demand on the Debtor in any case shall entitle the Debtor to any other or further notice or demand in similar or other circumstances or constitute a waiver of any of the rights of the Secured Party to any other or further action in any circumstances without notice or demand.

(c) The obligations of the Debtor hereunder shall remain in full force and effect without regard to, and shall not be impaired by, (i) any bankruptcy, insolvency, reorganization, arrangement, readjustment, composition, liquidation or the like of the Debtor, (ii) any exercise or non-exercise, or any waiver of, any right, remedy, power or privilege under or in respect of the Loan Agreement, this Agreement, the other Loan Documents, the Secured Obligations or any security for any of the Secured Obligations or (iii) any amendment to or modification of the Loan Agreement or any of the other Loan Documents, the Secured Obligations or any security for any of the Secured Obligations, whether or not the Debtor shall have notice or knowledge of any of the foregoing. The rights and remedies of the Secured Party herein provided are cumulative and not exclusive of any rights or remedies which the Secured Party would otherwise have.

(d) This Agreement shall be binding upon the Debtor and its successors and assigns and shall inure to the benefit of the Secured Party and its successors and assigns, provided that the Debtor

may not transfer or assign any of its obligations, rights or interest hereunder without the prior written consent of the Secured Party. All agreements, representations and warranties made herein shall survive the execution and delivery of this Agreement.

(e) The descriptive headings of the several sections of this Agreement are inserted for convenience only and shall not in any way affect the meaning or construction of any provision of this Agreement.

(f) All rights, remedies and powers provided by this Agreement may be exercised only to the extent that the exercise thereof does not violate any applicable provision of law, and the provisions hereof are intended to be subject to all applicable mandatory, non-waivable provisions of law that may be controlling and to be limited to the extent necessary so that they will not render this Agreement invalid, unenforceable in whole or in part or not entitled to be recorded, registered or filed under the provisions of any applicable law.

(g) This Agreement and the rights and obligations of the parties hereunder shall be construed in accordance with and be governed by the laws of the State of New York.

(h) It is expressly agreed, anything herein or in the Loan Documents contained to the contrary notwithstanding, that the Debtor shall remain liable to perform all of the obligations, if any, assumed by it with respect to the Specified Agreements, the Accounts, the Equipment and the other Collateral and the Secured Party shall not have any obligations or liabilities with respect to the Specified Agreements, the Accounts, the Equipment or any other Collateral by reason of or arising out of this Agreement, nor shall the Secured Party be required or obligated in any manner to perform or fulfill any of the obligations of the Debtor under or pursuant to any Specified Agreement, Account or Equipment or in respect of any other Collateral.

Section 15 Power of Attorney. The Secured Party is hereby irrevocably appointed (such appointment being coupled with an interest) the true and lawful attorney-in-fact of the Debtor in its name and stead, to (i) file all financing statements and fixture filings with respect to the Collateral and to make similar filings and recordings, (ii) make all necessary deeds, bills of sale and instruments of assignment and transfer of the property thus sold and for such other purposes as are necessary or desirable to effectuate the provisions (including, without limitation, Section 9) of this Agreement, and for that purpose it may execute and deliver all necessary deeds, bills of sale and instruments of assignment and transfer, and may substitute one or more Persons with like power, the Debtor hereby ratifying and confirming all that its said attorney, or such substitute or substitutes, shall lawfully do by virtue hereof, and (iii) to do and to take all such other and further acts in the name of and on behalf of the Debtor in order to carry out and effect the provisions of this Agreement. If so requested by the Secured Party or assignee thereof or any purchaser therefrom, the Debtor shall ratify and confirm any such filing, sale, transfer, assignment or other action by, among other things, executing and delivering to the Secured Party or to any purchaser therefrom all property, deeds, bills of sale, instruments of assignment and transfer and releases as may be designated in any such request.

Section 16. Waiver of Jury Trial. EXCEPT TO THE EXTENT PROHIBITED BY LAW WHICH CANNOT BE WAIVED, EACH PARTY HERETO HEREBY WAIVES TRIAL BY JURY IN CONNECTION WITH ANY ACTION OR PROCEEDING OF ANY NATURE WHATSOEVER ARISING UNDER, OUT OF OR IN CONNECTION WITH THIS AGREEMENT AND THE TRANSACTIONS CONTEMPLATED HEREBY AND IN CONNECTION WITH ANY CLAIM, COUNTERCLAIM, OFFSET OR DEFENSE ARISING IN CONNECTION WITH SUCH ACTION OR PROCEEDING.



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

Ambassador Publications, LLC,  
a Delaware limited liability company, as Debtor

By: [Signature]  
Name: Andreas Fenster  
Title: CFO

RZB Finance LLC,  
a Delaware limited liability company, as Secured Party

By: [Signature]  
Name: ERIC SALAT  
Title: GROUP VICE PRESIDENT

By: [Signature]  
Name: HERMINE KIROLOS  
Title: Group Vice President

Schedule 1(ii)-1

DESCRIPTION OF SPECIFIED AGREEMENTS

The following description of Collateral supplements, and is a part of, the Security Agreement (the "Security Agreement") dated as of April 15, 2005 between Ambassador Publications, LLC (the "Debtor") and RZB Finance LLC (the "Secured Party"):

As used in the Security Agreement, the term "Specified Agreements" means each of the following, as amended in accordance with the terms thereof and the terms of the Security Agreement:

NONE

Schedule 1(ii)-2

DESCRIPTION OF PATENT AND TRADEMARK COLLATERAL

The following description of Collateral supplements, and is a part of, the Security Agreement (the "Security Agreement") dated as of April 15, 2005 between Ambassador Publications, LLC (the "Debtor") and RZB Finance LLC (the "Secured Party");

A. As used in the Security Agreement, the term "Patents" includes but is not limited to:

<u>Title</u>	<u>Serial No.</u>	<u>Record &amp; Title Holder</u>	<u>Inventor</u>	<u>Filing Date</u>
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NONE

B. As used in the Security Agreement, the term "Trademarks" includes but is not limited to:

<u>Jurisdiction of Registration</u>	<u>Trademark</u>	<u>Trademark Registration or Serial Number(s)</u>	<u>Filing Date</u>
1. USPTO	Ambassador Yellow Pages	76632938	2/28/2005
2. USPTO	Ambassador Publications	76632940	2/28/2005
3. USPTO	City Clicks	76632939	2/28/2005

Schedule 1(ii)-3

DESCRIPTION OF COPYRIGHT COLLATERAL

The following description of Collateral supplements, and is a part of, the Security Agreement (the "Security Agreement") dated as of April 15, 2005 between Ambassador Publications, LLC (the "Debtor") and RZB Finance LLC (the "Secured Party"):

As used in the Security Agreement, the term "Copyrights" includes but is not limited:

<u>Copyright Number</u>	<u>Description of Copyright</u>	<u>Date of Copyright</u>
	NONE	

Schedule 1(vii)

Commercial Tort Claims

1. Ambassador Publications LLC v. New York Carpet Services; Supreme Court State of New York, New York County; Index number 602617 2001
2. Ambassador Publications LLC v. Great American Restoration; Supreme Court State of New York; New York County; Index number 602619 2001
3. Ambassador Publications LLC v. Expert Auto Tech. Inc.; Supreme Court State of New York; New York County; Index number 602620 2001
4. Ambassador Publications LLC v. Michael Musa Obregon; Supreme Court State of New York, New York County; Index number 12459 2002
5. Ambassador Publications LLC v. Stanley Shapiro; Supreme Court State of New York, New York County; Index number 101254 2003
6. Ambassador Publications, LLC, creditor in Barry E. Greenberg Chapter 11 proceeding in U.S. Bankruptcy Court, New York Southern District, 03-17323-pcb.

Schedule 3(d)

Places of Business(include county)

Chief Executive Office

245 West 17<sup>th</sup> Street, New York, New York 11209  
(New York County)

Other Places of Business  
(other than as specified below)

66-00 LI Expressway, Maspeth, New York  
(Queens County)

Location of Collateral

<u>Location</u> <u>Address, City,</u> <u>County, State</u>	<u>Leased or</u> <u>Owned</u>	<u>Nature of</u> <u>Collateral</u>	<u>Approximate Value</u> <u>of Collateral</u>
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NONE EXCEPT AS SET FORTH ABOVE

Schedule 3(f)

Present and Former Names  
(including trade names) of Debtor

<u>Name</u>	<u>Period of Use</u>
1. Ambassador Publications	Within the last five years
2. Ambassador Publishing	Within the last five years
3. Ambassador Yellow Pages	Within the last five years
4. Parents Yellow Pages	Within the last five years
5. Ambassador Paginas Amarillas	Within the last five years
6. Maxmillion Communications, Inc.	Within the last five years
7. City Clicks	Within the last five years
8. aypny.com	Within the last five years

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