

TRADEMARK ASSIGNMENT COVER SHEET

Electronic Version v1.1
Stylesheet Version v1.2

ETAS ID: TM423027

SUBMISSION TYPE:	NEW ASSIGNMENT		
NATURE OF CONVEYANCE:	Pledge and Security Agreement		
CONVEYING PARTY DATA			
Name	Formerly	Execution Date	Entity Type
Academic Partnerships, LLC		04/03/2017	Limited Liability Company: DELAWARE
RECEIVING PARTY DATA			
Name:	MSD Academic Partners, LLC, as Administrative Agent		
Street Address:	645 Fifth Avenue, 21st Floor		
Internal Address:	c/o MSD Partners, LLC		
City:	New York		
State/Country:	NEW YORK		
Postal Code:	10022		
Entity Type:	Limited Liability Company: DELAWARE		
PROPERTY NUMBERS Total: 7			
Property Type	Number	Word Mark	
Registration Number:	4472645	ACADEMIC PARTNERSHIPS	
Registration Number:	4646768	U SCHOLAR	
Serial Number:	86927883	ACADEMIC PARTNERSHIPS	
Serial Number:	86927941	ACADEMIC PARTNERSHIPS INTERNATIONAL	
Serial Number:	86927902	AP ACADEMIC PARTNERSHIPS	
Serial Number:	86927957	AP OPEN NETWORK	
Serial Number:	86927983	FACULTY E-COMMONS	
CORRESPONDENCE DATA			
Fax Number:	8602402701		
<i>Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent using a fax number, if provided; if that is unsuccessful, it will be sent via US Mail.</i>			
Phone:	860.240.2935		
Email:	michelle.fournier@morganlewis.com		
Correspondent Name:	Michelle Walters Fournier		
Address Line 1:	Morgan, Lewis & Bockius LLP		
Address Line 2:	One State Street		
Address Line 4:	Hartford, CONNECTICUT 06103		
NAME OF SUBMITTER:	Michelle Walters Fournier		

OP \$190.00 4472645

SIGNATURE:	/s/ /Michelle Walters Fournier/
DATE SIGNED:	04/07/2017
Total Attachments: 28 source=Academic Partnerships Pledge and Security Agmt Academic Partnerships LLC#page1.tif source=Academic Partnerships Pledge and Security Agmt Academic Partnerships LLC#page2.tif source=Academic Partnerships Pledge and Security Agmt Academic Partnerships LLC#page3.tif source=Academic Partnerships Pledge and Security Agmt Academic Partnerships LLC#page4.tif source=Academic Partnerships Pledge and Security Agmt Academic Partnerships LLC#page5.tif source=Academic Partnerships Pledge and Security Agmt Academic Partnerships LLC#page6.tif source=Academic Partnerships Pledge and Security Agmt Academic Partnerships LLC#page7.tif source=Academic Partnerships Pledge and Security Agmt Academic Partnerships LLC#page8.tif source=Academic Partnerships Pledge and Security Agmt Academic Partnerships LLC#page9.tif source=Academic Partnerships Pledge and Security Agmt Academic Partnerships LLC#page10.tif source=Academic Partnerships Pledge and Security Agmt Academic Partnerships LLC#page11.tif source=Academic Partnerships Pledge and Security Agmt Academic Partnerships LLC#page12.tif source=Academic Partnerships Pledge and Security Agmt Academic Partnerships LLC#page13.tif source=Academic Partnerships Pledge and Security Agmt Academic Partnerships LLC#page14.tif source=Academic Partnerships Pledge and Security Agmt Academic Partnerships LLC#page15.tif source=Academic Partnerships Pledge and Security Agmt Academic Partnerships LLC#page16.tif source=Academic Partnerships Pledge and Security Agmt Academic Partnerships LLC#page17.tif source=Academic Partnerships Pledge and Security Agmt Academic Partnerships LLC#page18.tif source=Academic Partnerships Pledge and Security Agmt Academic Partnerships LLC#page19.tif source=Academic Partnerships Pledge and Security Agmt Academic Partnerships LLC#page20.tif source=Academic Partnerships Pledge and Security Agmt Academic Partnerships LLC#page21.tif source=Academic Partnerships Pledge and Security Agmt Academic Partnerships LLC#page22.tif source=Academic Partnerships Pledge and Security Agmt Academic Partnerships LLC#page23.tif source=Academic Partnerships Pledge and Security Agmt Academic Partnerships LLC#page24.tif source=Academic Partnerships Pledge and Security Agmt Academic Partnerships LLC#page25.tif source=Academic Partnerships Pledge and Security Agmt Academic Partnerships LLC#page26.tif source=Academic Partnerships Pledge and Security Agmt Academic Partnerships LLC#page27.tif source=Academic Partnerships Pledge and Security Agmt Academic Partnerships LLC#page28.tif	

**PLEDGE AND SECURITY AGREEMENT
ACADEMIC PARTNERSHIPS, LLC**

THIS PLEDGE AND SECURITY AGREEMENT is entered into as of April 3, 2017 by and among ACADEMIC PARTNERSHIPS, LLC, a Delaware limited liability company (the “*Debtor*”), and MSD ACADEMIC PARTNERS, LLC, as administrative agent for the benefit of the Secured Parties (the “*Agent*”).

PRELIMINARY STATEMENT

Debtor, Agent and the other Secured Parties are entering into a Credit Agreement dated as of April 3, 2017 (as it may be amended, restated or modified from time to time, the “*Credit Agreement*”).

Debtor is entering into this Pledge and Security Agreement (as it may be amended, restated or modified from time to time, the “*Security Agreement*”) in order to, among other things, induce Agent and the other Secured Parties to enter into and extend credit to Debtor under the Credit Agreement.

ACCORDINGLY, Debtor and Agent hereby agree as follows:

ARTICLE I

DEFINITIONS

1.1 Terms Defined in Credit Agreement. All capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Credit Agreement.

1.2 Terms Defined in New York Uniform Commercial Code. Terms defined in the New York Uniform Commercial Code which are not otherwise defined in this Security Agreement are used herein as defined in the New York Uniform Commercial Code as in effect on the date hereof.

1.3 Definitions of Certain Terms Used Herein. As used in this Security Agreement, in addition to the terms defined in the Preliminary Statement, the following terms shall have the following meanings:

“*Accounts*” mean any “account,” as such term is defined in Section 9.102(a)(2) of the UCC, now owned or hereafter acquired by Debtor, and, in any event, shall include, without limitation, each of the following, whether now owned or hereafter acquired by Debtor: (a) all rights of Debtor to payment for goods sold or leased or services rendered or the license of Intellectual Property, whether or not earned by performance, (b) all accounts receivable (including Health Care Insurance Receivables) of Debtor, (c) all rights of Debtor to receive any payment of money or other form of consideration, (d) all security pledged, assigned, or granted to or held by Debtor to secure any of the foregoing, (e) all guaranties of, or indemnifications with respect to, any of the foregoing, (f) all Chattel Paper, (g) all Instruments, and (h) all rights of

Debtor as unpaid sellers of goods or services, including, but not limited to, all rights of stoppage in transit, replevin, reclamation, and resale.

“*Account Debtor*” means any Person who is or who may become obligated to Debtor under, with respect to, or on account of an Account.

“*Article*” means a numbered article of this Security Agreement, unless another document is specifically referenced.

“*Chattel Paper*” means any “chattel paper”, as such term is defined in Section 9.102(a)(11) of the UCC, now owned or hereafter acquired by Debtor and, in any event, shall include, without limitation, all Electronic Chattel Paper, Tangible Chattel Paper and all records that evidence both a monetary obligation and a security interest in specific goods, a security interest in specific goods and software used in the goods, or a lease of specific goods, now owned or hereafter acquired by Debtor.

“*Collateral*” means all Accounts, Chattel Paper, Documents, Equipment, General Intangibles, Financial Assets, Letter of Credit Rights, Commercial Tort Claims, Fixtures, Investment Property, Instruments, Inventory, Health Care Insurance Receivables, Intellectual Property, Securities, Deposit Accounts, including all funds, certificates, checks, drafts, wire transfer receipts, and other earnings, profits, or other proceeds from time to time representing, evidencing, deposited into, or held in Deposit Accounts, Stock Rights and Other Collateral, wherever located, in which Debtor now has or hereafter acquires any right or interest, and the Proceeds, insurance proceeds and products thereof, together with all books and records, customer lists, credit files, computer files, programs, printouts and other computer materials and records related thereto; *provided that* to the extent the Collateral includes stock or ownership interests in Foreign Subsidiaries, then only sixty-five percent (65%) of the Stock Rights or ownership interests in Debtor’s Foreign Subsidiaries shall be included in the Collateral.

“*Commercial Tort Claims*” means any “commercial tort claim”, as such term is defined in Section 9.102(a)(13) of the UCC, now owned or hereafter acquired by Debtor and in any event, shall include, without limitation, any claim now owned or hereafter acquired by Debtor, arising in tort with respect to which: (a) the claimant is an organization; or (b) the claimant is an individual and the claim (i) arose in the course of the claimant’s business or profession and (ii) does not include damages arising out of personal injury to or the death of an individual.

“*Control*” shall have the meaning set forth in Sections 7.106, 8.106, 9.104, 9.105, 9.106, or 9.107 of the UCC.

“*Debtor*” includes Debtor’s successors and assigns.

“*Deposit Accounts*” means any “deposit account”, as such term is defined in Section 9.102(a)(29) of the UCC, now owned or hereafter acquired by Debtor and in any event, shall include, without limitation, any and all deposit accounts or other bank accounts now owned or hereafter acquired or opened by Debtor, and any account which is a replacement or substitute for any of such accounts, including, without limitation, those deposit accounts identified on *Exhibit A*.

“**Documents**” means any “document”, as such term is defined in Section 9.102(a)(30) of the UCC, now owned or hereafter acquired by Debtor, including without limitation all bills of lading, dock warrants, dock receipts, warehouse receipts and orders for the delivery of goods, and also any other document which in the regular course of business or financing is treated as adequately evidencing that the person in possession of it is entitled to receive, hold and dispose of the document and the goods it covers.

“**Electronic Chattel Paper**” means any “electronic chattel paper”, as such term is defined in Section 9.102(a)(31) of the UCC, now owned or hereafter acquired by Debtor.

“**Equipment**” means: (a) any “equipment”, as such term is defined in Section 9.102(a)(33) of the UCC; (b) all machinery, equipment, furnishings, Fixtures, and Vehicles; and (c) 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 (in each case, regardless of whether characterized as equipment under the UCC).

“**Exhibit**” refers to a specific exhibit to this Security Agreement, unless another document is specifically referenced.

“**Financial Assets**” means any “financial asset”, as such term is defined in Section 8.102(a)(9) of the UCC, now owned or hereafter acquired by Debtor.

“**Fixtures**” means all goods which become so related to particular real estate that an interest in such goods arises under any real estate law applicable thereto, including, without limitation, all trade fixtures.

“**General Intangibles**” means any “general intangibles”, as such term is defined in Section 9.102(a)(42) of the UCC, now owned or hereafter acquired by Debtor and, in any event, shall include, without limitation, each of the following, whether now owned or hereafter acquired by Debtor: (a) all of Debtor’s trade secrets, Intellectual Property, registrations, renewal rights, goodwill franchises, licenses, permits, proprietary information, customer lists, designs, and inventions, (b) all of Debtor’s books, records, data, plans, manuals, computer software, and computer programs, (c) all of Debtor’s contract rights, partnership interests, joint venture interests, securities, deposit accounts, investment accounts, certificates of deposit, and investment property, (d) all rights of Debtor to payment under letters of credit and similar agreements, (e) all tax refunds and tax refund claims of Debtor, (f) all choses in action and causes of action of Debtor (whether arising in contract, tort, or otherwise and whether or not currently in litigation) and all judgments in favor of Debtor, (g) all rights and claims of Debtor under warranties and indemnities, and (h) all rights of Debtor under any insurance, surety, or similar contract or arrangement.

“**Health Care Insurance Receivable**” means any “health care insurance receivable”, as such term is defined in Section 9.102(a)(46) of the UCC, now owned or hereafter acquired by Debtor and, in any event, shall include, without limitation, any interest in or claim under a policy of insurance that is a right to payment of a monetary obligation for health care goods or services provided, whether now owned or hereafter acquired by Debtor.

“**Instrument**” means any “instrument”, as such term is defined in Section 9.102(a)(47) of the UCC, now owned or hereafter acquired by Debtor, other than stock and other securities, and in any event, shall include, without limitation, all promissory notes, drafts, bills of exchange and trade acceptances of Debtor, whether now owned or hereafter acquired.

“**Intellectual Property**” means the copyrights, copyright licenses, patents, patent licenses, trademarks, and trademark licenses now owned or hereafter acquired by Debtor, including, but not limited to the “**Intellectual Property**” described in *Exhibit E* hereto.

“**Inventory**” means any “inventory”, as such term is defined in Section 9.102(a)(48) of the UCC, now owned or hereafter acquired by Debtor, and, in any event, shall include, without limitation, each of the following, whether now owned or hereafter acquired by Debtor: (a) all goods and other personal property of Debtor that are held for sale or lease or to be furnished under any contract of service, (b) all raw materials, work-in-process, finished goods, inventory, supplies, and materials of Debtor, (c) all wrapping, packaging, advertising, and shipping materials of Debtor, (d) all goods that have been returned to, repossessed by, or stopped in transit by Debtor, and (e) all Documents evidencing any of the foregoing.

“**Investment Property**” means any “investment property”, as such term is defined in Section 9.102(a)(49) of the UCC, now owned or hereafter acquired by Debtor, and, in any event, shall include, without limitation, each of the following, whether now owned or hereafter acquired by Debtor: (a) any security, whether certificated or uncertificated; (b) any security entitlement; (c) any securities account (including, without limitation, those described on *Exhibit B*); (d) any commodity contract; and (e) any commodity account (including, without limitation, those identified on *Exhibit B*).

“**Letter-of-Credit Right**” means any “letter-of-credit right”, as such term is defined in Section 9.102(a)(51) of the UCC, now owned or hereafter acquired by Debtor, and in any event, shall include, without limitation, any right to payment or performance under a letter of credit, whether or not the beneficiary has demanded or is at the time entitled to demand payment or performance (but shall not include any right of a beneficiary to demand payment or performance under a letter of credit), now owned or hereafter acquired by Debtor.

“**Obligations**” means:

(a) Debtor’s present and future obligations, liabilities and indebtedness under the Credit Agreement, each Loan Document, and this Security Agreement;

(b) all costs and expenses, including all attorneys’ fees and legal expenses, incurred by Agent or its Affiliates to preserve and maintain the Collateral, collect the obligations herein described, and enforce this Security Agreement or any rights under the other Loan Documents;

(c) all obligations under or in connection with any Hedge Agreements (as defined in 11 U.S.C. § 101) with Agent or its Affiliates in connection with the Loan Documents;

(d) the obligation to reimburse any amount that Agent or a Secured Party elects to pay or advance on behalf of Debtor in accordance with the Loan Documents following the occurrence of any Event of Default;

(e) all amounts owed under any extension, renewal, or modification of any of the foregoing; and

(f) any of the foregoing that arises after the filing of a petition by or against Debtor under the Bankruptcy Code, even if the obligations due do not accrue because of the automatic stay under Bankruptcy Code § 362 or otherwise.

“Other Collateral” means any property of Debtor, other than real estate, not included within the defined terms Accounts, Chattel Paper, Documents, General Intangibles, Equipment, Financial Assets Instruments, Letter-of-Credit Rights, Commercial Tort Claims, Inventory, Investment Property, Deposit Accounts, including all funds, certificates, checks, drafts, wire transfer receipts, and other earnings, profits, or other proceeds from time to time representing, evidencing, deposited into, or held in Deposit Accounts, and Stock Rights, including, without limitation, all cash on hand and all deposit accounts or other deposits (general or special, time or demand, provisional or final) with any bank or other financial institution, it being intended that the Collateral include all property of Debtor (including sixty-five percent (65%) of the Stock Rights or ownership interests in Debtor’s Foreign Subsidiaries), other than real estate.

“Proceeds” means any “proceeds,” as such term is defined in Section 9.102(a)(65) 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 Debtor from time to time with respect to any of the Collateral, (b) any and all payments (in any form whatsoever) made or due and payable to Debtor from time to time in connection with any requisition, confiscation, condemnation, seizure, or forfeiture of all or any part of the Collateral by any Governmental Authority (or any person acting under color of 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.

“Receivables” means the Accounts, Chattel Paper, Documents, Investment Property, Instruments, or Commercial Tort Claims, and any other rights or claims to receive money which are General Intangibles or which are otherwise included as Collateral.

“Section” means a numbered Section of this Security Agreement, unless another document is specifically referenced.

“Secured Obligations” means the Obligations, whether or not (a) such Obligations arise or accrue before or after the filing by or against Grantor of a petition under the Bankruptcy Code, or any similar filing by or against Grantor under the laws of any jurisdiction, or any bankruptcy, insolvency, receivership or other similar proceeding, (b) such Obligations are allowable under Section 502(b)(2) of the Bankruptcy Code or under any other insolvency proceedings, (c) the right of payment in respect of such Obligations is reduced to judgment, or (d) such Obligations are liquidated, unliquidated, similar, dissimilar, related, unrelated, direct, indirect, fixed,

contingent, primary, secondary, joint, several, or joint and several, matured, disputed, undisputed, legal, equitable, secured, or unsecured.

“*Security*” has the meaning set forth in 8.102(a)(15) of the UCC.

“*Stock Rights*” means any securities, dividends or other distributions and any other right or property which Debtor shall receive or shall become entitled to receive for any reason whatsoever with respect to, in substitution for or in exchange for any securities or other ownership interests in a corporation, partnership, joint venture or limited liability company constituting Collateral and any securities, any right to receive securities and any right to receive earnings, in which Debtor now has or hereafter acquires any right, issued by an issuer of such securities.

“*Tangible Chattel Paper*” means any “tangible chattel paper”, as such term is defined in Section 9.102(a)(79) of the UCC, now owned or hereafter acquired by Debtor.

“*UCC*” means the Uniform Commercial Code as in effect in the State of New York, as the same has been or may be amended or revised from time to time, or, if so required with respect to any particular Collateral by mandatory provisions of applicable law, as in effect in the jurisdiction in which such Collateral is located.

The foregoing definitions shall be equally applicable to both the singular and plural forms of the defined terms.

ARTICLE II

GRANT OF SECURITY INTEREST

2.1 Security Interest. Debtor hereby pledges, assigns and grants to Agent for the benefit of the Secured Parties, a security interest in all of Debtor’s right, title and interest in and to the Collateral to secure the prompt and complete payment and performance of the Secured Obligations. If the security interest granted hereby in any rights of Debtor under any contract included in the Collateral is expressly prohibited by such contract, then the security interest hereby granted therein nonetheless remains effective to the extent allowed by Article or Chapter 9 of the UCC or other applicable law but is otherwise limited by that prohibition. Agent and the Secured Parties acknowledge that the attachment of its security interest in any Commercial Tort Claim as Collateral is subject to Debtor’s compliance with *Section 4.14*.

2.2 Debtor Remains Liable. Notwithstanding anything to the contrary contained herein, (a) Debtor shall remain liable under the contracts and agreements included in the Collateral to the extent set forth therein to perform all of its respective duties and obligations thereunder to the same extent as if this Security Agreement had not been executed, (b) the exercise by Agent or the Secured Parties of any of their rights hereunder shall not release Debtor from any of its duties or obligations under the contracts and agreements included in the Collateral, and (c) neither Agent nor the Secured Parties shall have any obligation or liability under any of the contracts and agreements included in the Collateral by reason of this Security Agreement, nor shall Agent or the Secured Parties be obligated to perform any of the obligations

or duties of Debtor thereunder or to take any action to collect or enforce any claim for payment assigned hereunder.

2.3 Authorization to File Financing Statements. Debtor hereby irrevocably authorizes Agent, on behalf of the Secured Parties, at any time and from time to time to file in any UCC jurisdiction any initial financing statements and amendments thereto that (a) indicate the Collateral (i) as all assets of Debtor or words of similar effect, regardless of whether any particular asset comprised in the Collateral falls within the scope of Article or Chapter 9 of the UCC, or (ii) as being of an equal or lesser scope or with greater detail, and (b) contain any other information required by subchapter E of Chapter 9 of the UCC for the sufficiency or filing office acceptance of any financing statement or amendment, including (A) whether Debtor is an organization, the type of organization and any organization identification number issued to Debtor and (B) in the case of a financing statement filed as a fixture filing or indicating Collateral as as-extracted collateral or timber to be cut, a sufficient description of real property to which the Collateral relates. Debtor agrees to furnish any such information to Agent promptly upon request.

ARTICLE III

REPRESENTATIONS AND WARRANTIES

Debtor represents and warrants to Agent and the Secured Parties that:

3.1 Title, Authorization, Validity and Enforceability. Debtor has good and valid rights in and title to the Collateral with respect to which it has purported to grant a security interest hereunder, free and clear of all Liens except for Liens permitted under *Section 4.1.6*, and has full power and authority to grant to Agent and the Secured Parties the security interest in such Collateral pursuant hereto. The execution and delivery by Debtor of this Security Agreement has been duly authorized by proper corporate proceedings, and this Security Agreement constitutes a legal, valid and binding obligation of Debtor and creates a security interest which is enforceable against Debtor in all now owned and hereafter acquired Collateral. When financing statements have been filed with the Delaware Secretary of State against Debtor, Agent and the Secured Parties will have a fully perfected first priority security interest in that Collateral in which a security interest may be perfected by filing, subject only to Liens permitted under *Section 4.1.6*.

3.2 Conflicting Laws and Contracts. Neither the execution and delivery by Debtor of this Security Agreement, the creation and perfection of the security interest in the Collateral granted hereunder, nor compliance with the terms and provisions hereof will violate any law, rule, regulation, order, writ, judgment, injunction, decree or award binding on Debtor or Debtor's articles or certificate of incorporation, bylaws, articles of organization or operating agreement or other charter documents, as the case may be, the provisions of any indenture, instrument or agreement to which Debtor is a party or is subject, or by which it, or its property, is bound, or conflict with or constitute a default thereunder, or result in the creation or imposition of any Lien pursuant to the terms of any such indenture, instrument or agreement (other than any Lien of Agent and the Secured Parties).

3.3 Principal Location. Debtor's mailing address, and the location of its chief executive office and of the books and records relating to the Receivables, are disclosed in *Exhibit C*; Debtor has no any other places of business except those set forth in *Exhibit C*.

3.4 Property Locations. The Inventory is located solely at the locations described in *Exhibit C*. All of said locations are owned by Debtor except for locations (i) which are leased by Debtor as lessee and designated in *Exhibit C* and (ii) at which Inventory is held in a public warehouse or is otherwise held by a bailee or on consignment as designated in *Exhibit C*, with respect to which Inventory Debtor has delivered bailment agreements, warehouse receipts, financing statements or other documents satisfactory to the Agent to protect the Agent and the Secured Parties' security interest in such Inventory.

3.5 Deposit, Commodity, and Securities Account. Exhibit A correctly identifies all deposit, commodity, and securities accounts owned by Debtor and the institutions holding such accounts. No Person other than Debtor has control over any Investment Property.

3.6 Litigation. To Debtor's knowledge, there is no litigation investigation or governmental proceeding threatened against Debtor or any of its properties which if adversely determined would have a material adverse effect on the Collateral or the financial condition, operations, or business of Debtor.

3.7 No Other Names. Debtor has not conducted business under any name except the name in which it has executed this Security Agreement or as identified on *Exhibit D*.

3.8 No Event of Default. No Event of Default exists.

3.9 Accounts and Chattel Paper. The names of the obligors, amounts owing, due dates and other information with respect to the Accounts and Chattel Paper are and will be correctly stated in all records of Debtor relating thereto and in all invoices and reports with respect thereto furnished to Agent by Debtor from time to time. As of the time when each Account or each item of Chattel Paper arises, Debtor shall be deemed to have represented and warranted that such Account or Chattel Paper, as the case may be, and all records relating thereto, are genuine and in all respects what they purport to be.

3.10 No Financing Statements. No financing statement describing all or any portion of the Collateral which has not lapsed or been terminated naming Debtor as debtor has been filed in any jurisdiction except (i) financing statements naming the Agent, on behalf of the Secured Parties, as the secured party, and (ii) as permitted by *Section 4.1.6*.

3.11 Organizational Identification Number; Jurisdiction of Incorporation. Debtor's organization identification number as issued by the Delaware Secretary of State, and its jurisdiction of organization are listed on *Exhibit D*.

3.12 Investment Property. Exhibit B sets forth a complete and accurate list of the Instruments, Securities and other Investment Property owned by Debtor. Debtor is the direct and beneficial owner of each Instrument, Security and other type of Investment Property listed on *Exhibit B* as being owned by it, free and clear of any Liens, except for the security interest granted to Agent, on behalf of the Secured Parties, hereunder. Debtor further represents and

warrants that (i) all such Instruments, Securities or other types of Investment Property which are shares of stock in a corporation or ownership interests in a partnership or limited liability company have been (to the extent such concepts are relevant with respect to such Instrument, Security or other type of Investment Property) duly and validly issued, are fully paid and non-assessable and (ii) with respect to any certificates delivered to the Agent representing an ownership interest in a partnership or limited liability company, either such certificates are Securities as defined in Article 8 of the UCC of the applicable jurisdiction as a result of actions by the issuer or otherwise, or, if such certificates are not Securities, Debtor has so informed Agent so that Agent may take steps to perfect its security interest therein as a General Intangible.

3.13 Intellectual Property. Exhibit E sets forth a complete and accurate list of the Intellectual Property owned by Debtor. With respect to such Intellectual Property:

- (a) Such Intellectual Property is valid and subsisting and has not been adjudged invalid or unenforceable, in whole or in part;
- (b) Debtor has made or is in the process of making all necessary filings and recordations to protect its interest in such Intellectual Property;
- (c) Debtor is the exclusive owner of the entire and unencumbered right, title, and interest in and to such Intellectual Property and (except as disclosed in the Credit Agreement) no claim has been made that the use of such Intellectual Property does or may violate the asserted rights of any third party; and
- (d) Debtor has performed and will continue to perform all acts and has paid and will continue to pay all required fees and taxes to maintain each and every item of Intellectual Property Collateral in full force and effect throughout the world, as applicable.

ARTICLE IV

COVENANTS

From the date of this Security Agreement, and thereafter until this Security Agreement is terminated:

4.1 General.

4.1.1 Inspection. Debtor will permit Agent, by its representatives and agents (i) to inspect the Collateral, (ii) to examine and make copies of the records of Debtor relating to the Collateral and (iii) to discuss the Collateral and the related records of Debtor with, and to be advised as to the same by, Debtor's officers and employees (and, in the case of any Receivable, with any person or entity which is or may be obligated thereon), all at such reasonable times and intervals as Agent may determine, and all at Debtor's expense.

4.1.2 Taxes. Debtor will pay when due all taxes, assessments and governmental charges and levies upon the Collateral, except those which are being contested in good faith by appropriate proceedings and with respect to which no Lien exists.

4.1.3 Records and Reports; Notification of Event of Default. Debtor will maintain complete and accurate books and records with respect to the Collateral, and furnish to Agent and the Secured Parties such reports relating to the Collateral as Agent or the Secured Parties shall from time to time request. Debtor will give prompt notice in writing to Agent of the occurrence of any Event of Default and of any other development, financial or otherwise, which might materially and adversely affect the Collateral. Debtor shall mark its books and records to reflect the security interest of Agent, on behalf of the Secured Parties, under this Security Agreement.

4.1.4 Financing Statements and Other Actions; Defense of Title. Debtor will execute and deliver to Agent all financing statements and other documents and take such other actions as may from time to time be requested by Agent in order to maintain a first perfected security interest (subject only to the Lien of the Senior Agent securing the Senior Indebtedness) in and, in the case of Investment Property, Deposit Accounts, Letter-of-Credit-Rights, and Electronic Chattel Paper, Control of, the Collateral. Debtor will take any and all actions necessary to defend title to the Collateral against all persons and to defend the security interest of the Agent and the Secured Parties in the Collateral and the priority thereof against any Lien not expressly permitted hereunder.

4.1.5 Disposition of Collateral. Debtor will not sell, lease or otherwise dispose of the Collateral except (i) prior to the occurrence of an Event of Default, dispositions specifically permitted pursuant to the Credit Agreement, (ii) upon the occurrence and during the continuance of an Event of Default, as Debtor receives a notice from Agent instructing Debtor to cease such transactions, sales or leases of Inventory in the ordinary course of business, and (iii) until such time as Debtor receives a notice from Agent pursuant to *Article VII*, proceeds of Inventory and Accounts collected in the ordinary course of business.

4.1.6 Liens. Debtor will not create, incur, or suffer to exist any Lien on the Collateral except (i) the security interest created by this Security Agreement, and (ii) other Liens permitted pursuant to the Credit Agreement.

4.1.7 Change in Location, Jurisdiction of Organization or Name. Debtor will not (i) have any Inventory or Fixtures or proceeds or products thereof (other than Inventory and proceeds thereof disposed of as permitted by *Section 4.1.5*) at a location other than a location specified in *Exhibit C*, (ii) maintain records relating to the Receivables at a location other than at the location specified on *Exhibit C*, (iii) maintain a place of business at a location other than a location specified on *Exhibit C*, (iv) change its name or taxpayer identification number, (v) change its mailing address, or (vi) change its jurisdiction of organization, unless Debtor shall have given Agent not less than 30 days' prior written notice thereof, and the Agent shall have determined that such change will not adversely affect the validity, perfection or priority of Agent and the Secured Parties' security interest in the Collateral.

4.1.8 Other Financing Statements. Debtor will not authorize any financing statement naming it as debtor covering all or any portion of the Collateral, except as permitted by *Section 4.1.6*.

4.2 Receivables.

4.2.1 Certain Agreements on Receivables. Debtor will not make or agree to make any discount, credit, rebate or other reduction in the original amount owing on a Receivable or accept in satisfaction of a Receivable less than the original amount thereof, except that, prior to the occurrence of an Event of Default, Debtor may reduce the amount of Accounts arising from the sale of Inventory in accordance with its present policies and in the ordinary course of business.

4.2.2 Collection of Receivables. Except as otherwise provided in this Security Agreement, Debtor will collect and enforce, at Debtor's sole expense, all amounts due or hereafter due to Debtor under the Receivables.

4.2.3 Delivery of Invoices. Debtor will deliver to Agent immediately upon its request after the occurrence of an Event of Default duplicate invoices with respect to each Account bearing such language of assignment as Agent shall specify.

4.2.4 Disclosure of Counterclaims on Receivables. If (i) any discount, credit or agreement to make a rebate or to otherwise reduce the amount owing on a Receivable exists or (ii) if, to the knowledge of Debtor, any dispute, setoff, claim, counterclaim or defense exists or has been asserted or threatened with respect to a Receivable, Debtor will disclose such fact to Agent in writing in connection with the inspection by the Agent of any record of Debtor relating to such Receivable and in connection with any invoice or report furnished by Debtor to Agent relating to such Receivable.

4.3 Inventory.

4.3.1 Maintenance of Goods. Debtor will do all things necessary to maintain, preserve, protect and keep the Inventory in good repair and working and saleable condition.

4.3.2 Insurance. Debtor will (i) maintain fire and extended coverage insurance on the Inventory containing a lender's loss payable clause in favor of Agent on behalf of the Secured Parties, and providing that said insurance will not be terminated except after at least 30 days' written notice from the insurance company to Agent, (ii) maintain such other insurance on the Collateral for the benefit of Agent as secured party shall from time to time request, (iii) furnish to Agent upon the request of Agent from time to time the originals of all policies of insurance on the Collateral and certificates with respect to such insurance and (iv) maintain general liability insurance naming Agent as an additional insured.

4.3.3 Safekeeping of Inventory; Inventory Covenants. Neither Agent nor the Secured Parties shall be responsible for (i) the safekeeping of the Inventory; (ii) any loss or damage thereto or destruction thereof occurring or arising in any manner or fashion

from any cause; (iii) any diminution in the value of Inventory or (iv) any act or default of any carrier, warehouseman, bailee or forwarding agency or any other Person in any way dealing with or handling the Inventory, except to the extent that Debtor incurs any loss, cost, claim or damage from any of the foregoing as a result of the gross negligence or willful misconduct of Agent or the Secured Parties. All risk of loss, damage, distribution or diminution in value of the Inventory shall, except as noted in the previous sentence, be borne by Debtor.

4.3.4 Records and Schedules of Inventory. Debtor shall keep correct and accurate daily records on a first-in, first-out basis, itemizing and describing the kind, type, quality and quantity of Inventory, Debtor's cost therefor and selling price thereof, and the daily withdrawals therefrom and additions thereto and Inventory then on consignment, and shall, at the request of the Agent, furnish to the Agent, daily copies of the working papers related thereto. A physical count of the Inventory shall be conducted no less often than annually and a report based on such count of Inventory shall promptly thereafter be provided to Agent together with such supporting information including, without limitation invoices relating to Debtor's purchase of goods listed in said report, as Agent shall, in its sole and absolute discretion, request.

4.4 Instruments, Securities, Chattel Paper, and Documents. Debtor will (i) deliver to Agent immediately upon execution of this Security Agreement the originals of all Chattel Paper, Securities and Instruments (if any then exist), (ii) hold in trust for Agent and Secured Parties upon receipt and immediately thereafter deliver to Agent any Chattel Paper, Securities and Instruments constituting Collateral, and (iii) upon Agent's request, deliver to Agent, and thereafter hold in trust for Agent and Secured Parties upon receipt and immediately deliver to Agent, any Document evidencing or constituting Collateral.

4.5 Uncertificated Securities and Certain Other Investment Property. Debtor will permit Agent from time to time to cause the appropriate issuers (and, if held with a securities intermediary, such securities intermediary) of uncertificated securities or other types of Investment Property not represented by certificates which are Collateral to mark their books and records with the numbers and face amounts of all such uncertificated securities or other types of Investment Property not represented by certificates and all rollovers and replacements therefor to reflect the Lien of Agent, on behalf of the Secured Parties, granted pursuant to this Security Agreement. Debtor will take any actions necessary to cause (i) the issuers of uncertificated securities which are Collateral and which are Securities and (ii) any financial intermediary which is the holder of any Investment Property, to cause Agent to have and retain Control over such Securities or other Investment Property. Without limiting the foregoing, Debtor will, with respect to Investment Property held with a financial intermediary, cause such financial intermediary to enter into a control agreement with the Agent in form and substance satisfactory to Agent.

4.6 Stock and Other Ownership Interests.

4.6.1 Changes in Capital Structure of Issuers. Debtor will not (i) permit or suffer any issuer of privately held corporate securities or other ownership interests in a corporation, partnership, joint venture or limited liability company constituting Collateral

to dissolve, liquidate, retire any of its capital stock or other Instruments or Securities evidencing ownership, reduce its capital or merge or consolidate with any other entity, or (ii) vote any of the Instruments, Securities or other Investment Property in favor of any of the foregoing.

4.6.2 Issuance of Additional Securities. Debtor will not permit or suffer the issuer of privately held corporate securities or other ownership interests in a corporation, partnership, joint venture or limited liability company constituting Collateral to issue any such securities or other ownership interests, any right to receive the same or any right to receive earnings, except to Debtor.

4.6.3 Registration of Investment Property. Debtor will permit any registerable Collateral to be registered in the name of Agent, on behalf of the Secured Parties, or its nominee at any time.

4.6.4 Exercise of Rights in Investment Property. Debtor will permit Agent or its nominee at any time after the occurrence of an Event of Default, without notice, to exercise all voting and corporate rights relating to the Collateral, including, without limitation, exchange, subscription or any other rights, privileges, or options pertaining to any corporate securities or other ownership interests or Investment Property in or of a corporation, partnership, joint venture or limited liability company constituting Collateral and the Stock Rights as if it were the absolute owner thereof.

4.6.5 Issuance of Securities. Debtor shall not permit any limited partnership interests or ownership interests in a limited liability company which are included within the Collateral to at any time constitute a Security or consent to the issuer of any such interests taking any action to have such interests treated as a Security unless (i) all certificates or other documents constituting such Security have been delivered to Agent and such Security is properly defined as such under Article 8 of the UCC of the applicable jurisdiction, whether as a result of actions by the issuer thereof or otherwise, or (ii) Agent, on behalf of the Secured Parties, has entered into a control agreement with the issuer of such Security or with a securities intermediary relating to such Security and such Security is defined as such under Article 8 of the UCC of the applicable jurisdiction, whether as a result of actions by the issuer thereof or otherwise.

4.7 Accounts.

4.7.1 Verification of Accounts. Agent shall have the right, at any time or times hereafter, in its name or in the name of a nominee of Agent, to verify the validity, amount or any other matter relating to any Accounts, by mail, telephone, telegraph or otherwise.

4.7.2 Disputed Accounts; Limitation on Modification of Accounts. Debtor shall give Agent prompt written notice of any Accounts in excess of \$50,000 which are in dispute between any Account Debtor and Debtor. Debtor will not, without Agent's prior written consent, grant any extension of the time for payment of any of the Accounts, compromise, compound or settle the same for less than the full amount thereof, release, wholly or partly, any Person liable for the payment thereof, or allow any credit or

discount whatsoever thereon other than trade discounts granted in the ordinary course of business of Debtor.

4.7.3 Appointment of the Agent as Attorney-in-Fact. Debtor hereby irrevocably designates, makes, constitutes and appoints Agent, on behalf of the Secured Parties (and all persons designated by Agent), exercisable after the occurrence and during the continuation of an Event of Default, as its true and lawful attorney-in-fact, and authorizes Agent, in Debtor's or Agent's name, to: (i) demand payment of Accounts; (ii) enforce payment of Accounts by legal proceedings or otherwise; (iii) exercise all of Debtor's rights and remedies with respect to proceedings brought to collect an Account; (iv) sell or assign any Account upon such terms, for such amount and at such time or times as Agent deems advisable; (v) settle, adjust, compromise, extend or renew an Account; (vi) discharge and release any Account; (vii) take control in any manner of any item of payment or proceeds thereof; (viii) prepare, file and sign Debtor's name on any proof of claim in bankruptcy or other similar document against an Account Debtor; (ix) endorse Debtor's name upon any items of payment or proceeds thereof and deposit the same in Agent's account on account of the Obligations; (x) endorse Debtor's name upon any chattel paper, document, instrument, invoice, or similar document or agreement relating to any Account or any goods pertaining thereto; (xi) sign Debtor's name on any verification of Accounts and notices thereof to Account Debtor; (xii) notify the post office authorities to change the address for delivery of Debtor's mail to an address designated by Agent, have access to any lock box or postal box into which any of Debtor's mail is deposited, and open and dispose of all mail addressed Debtor, and (xiii) do all acts and things which are necessary, in Agent's sole discretion, to fulfill Debtor's obligations under this Security Agreement.

4.7.4 Notice to Account Debtor. Agent may, in its sole discretion, at any time or times after an Event of Default has occurred and is continuing, and without prior notice to Debtor, notify any or all Account Debtors that the Accounts have been assigned to Agent, on behalf of the Secured Parties, and that Agent and Secured Parties have a security interest therein. Agent may direct any or all Account Debtors to make all payments upon the Accounts directly to Agent. Agent shall furnish Debtor with a copy of such notice.

4.8 Deposit Accounts. Debtor will maintain all of its Deposit Accounts, operating accounts, and treasury management services with the Senior Agent, unless otherwise permitted by the Agent.

4.9 Federal, State or Municipal Claims. Debtor will notify Agent of any Collateral which constitutes a claim against a governmental authority, or any instrumentality or agency thereof, the assignment of which claim is restricted by federal, state or municipal law.

4.10 Warehouse Receipts Non-Negotiable. Debtor agrees that if any warehouse receipt or receipt in the nature of a warehouse receipt is issued with respect to any of its inventory, such warehouse receipt or receipt in the nature thereof shall not be "negotiable" (as such term is used in Section 7-104 of the UCC).

4.11 Mortgagee's and Landlord Waivers. Debtor shall use its best efforts to cause each mortgagee of real property owned by Debtor (upon request by Agent) and each landlord of real property leased by Debtor to execute and deliver instruments satisfactory in form and substance to Agent by which such mortgagee or landlord waives their rights, if any, in the Collateral.

4.12 Compliance with Agreements. Debtor shall comply in all material respects with all mortgages, deeds of trust, instruments, and other agreements binding on it or affecting its properties or business.

4.13 Compliance with Laws. Debtor shall comply with all applicable laws, rules, regulations, and orders of any court or governmental authority.

4.14 Commercial Tort Claims. If Debtor at any time holds or acquires a Commercial Tort Claim, Debtor shall immediately notify Agent in writing of the details thereof and grant to Agent, on behalf of the Secured Parties, in writing a security interest therein or lien thereon and in the Proceeds thereof, in form and substance satisfactory to Agent.

4.15 Letters-of-Credit Rights. If Debtor is at any time a beneficiary under a letter of credit now or hereafter issued in favor of Debtor, Debtor shall promptly notify Agent thereof in writing and, at Agent's request, Debtor shall, pursuant to an agreement in form and substance satisfactory to Agent, either (a) arrange for the issuer or any confirmer of such letter of credit to consent to an assignment to Agent, on behalf of the Secured Parties, of the proceeds of any drawing under the letter of credit or (b) arrange for Agent, on behalf of the Secured Parties, to become the transferee beneficiary of the letter of credit, with Agent agreeing, in each case, that the proceeds of any drawing under the letter of credit are to be applied as provided in the Credit Agreement.

4.16 Intellectual Property Collateral. Debtor shall not do any act, or omit to do any act, whereby any of the Intellectual Property Collateral may lapse or become abandoned, dedicated to the public, invalid or unenforceable. Debtor shall notify Agent within thirty (30) days of the filing of any application for registration in the United States Patent and Trademark Office or in the United States Copyright Office, and Debtor shall take all actions necessary to assist Agent in recording and perfecting a first priority security interest (subject only to the Lien of the Senior Agent securing the Senior Indebtedness) in such applications.

4.17 Further Assurances. At any time and from time to time, upon the request of Agent, and at the sole expense of Debtor, Debtor shall promptly execute and deliver all such further instruments and documents and take such further action as Agent may deem necessary or desirable to preserve and perfect its security interest in the Collateral and carry out the provisions and purposes of this Security Agreement, including, without limitation, (a) the execution and filing of such financing statements as Agent may require and (b) the deposit of all certificates of title issuable with respect to any of the Collateral and noting thereon the security interest hereunder. A carbon, photographic, or other reproduction of this Security Agreement or of any financing statement covering the Collateral or any part thereof shall be sufficient as a financing statement and may be filed as a financing statement. Debtor shall promptly endorse and deliver to Agent all documents, instruments, and chattel paper that it now owns or may hereafter acquire.

ARTICLE V

DEFAULT

5.1 Acceleration and Remedies. Upon the occurrence and during the continuation of an Event of Default under the Credit Agreement or any other Loan Document, Agent, on behalf of the Secured Parties, may exercise any or all of the following rights and remedies:

5.1.1 Those rights and remedies provided in this Security Agreement, the Credit Agreement, or any other Loan Document, provided that this Section 5.1.1 shall not be understood to limit any rights or remedies available to Agent and the Secured Parties prior to an Event of Default.

5.1.2 Those rights and remedies available to a secured party under the UCC (whether or not the UCC applies to the affected Collateral) or under any other applicable law (including, without limitation, any law governing the exercise of a bank's right of setoff or bankers' lien) when a debtor is in default under a security agreement.

5.1.3 Without notice except as specifically provided in Section 8.1 or elsewhere herein, sell, lease, assign, grant an option or options to purchase or otherwise dispose of the Collateral or any part thereof in one or more parcels at public or private sale, for cash, on credit or for future delivery, and upon such other terms as Agent may deem commercially reasonable.

5.2 Debtor's Obligations Upon Event of Default. Upon the request of Agent after the occurrence and during the continuation of an Event of Default, Debtor will:

5.2.1 Assembly of Collateral. Assemble and make available to Agent the Collateral and all records relating thereto at any place or places specified by Agent.

5.2.2 Agent Access. Permit Agent, by Agent's representatives and agents, to enter any premises where all or any part of the Collateral, or the books and records relating thereto, or both, are located, to take possession of all or any part of the Collateral and to remove all or any part of the Collateral.

5.3 License. Agent, on behalf of the Secured Parties, is hereby granted a license or other right to use, following the occurrence and during the continuance of an Event of Default, without charge, Debtor's labels, patents, copyrights, rights of use of any name, trade secrets, trade names, trademarks, service marks, customer lists and advertising matter, or any property of a similar nature, as it pertains to the Collateral, in completing production of, advertising for sale, and selling any Collateral in its capacity as secured party, and, following the occurrence and during the continuance of an Event of Default, Debtor's rights under all licenses and all franchise agreements shall inure to Agent's benefit, on behalf of the Secured Parties. In addition, Debtor hereby irrevocably agrees that Agent may, following the occurrence and during the continuance of an Event of Default, sell any of Debtor's Inventory directly to any Person, including without limitation Persons who have previously purchased Debtor's Inventory from Debtor and in connection with any such sale or other enforcement of Agent and the Secured Parties' rights under this Security Agreement, may sell Inventory which bears any trademark owned by or

licensed to Debtor and any Inventory that is covered by any copyright owned by or licensed to Debtor and Agent may finish any work in process and affix any trademark owned by or licensed to Debtor and sell such Inventory as provided herein.

ARTICLE VI

WAIVERS, AMENDMENTS AND REMEDIES

No delay or omission of Agent to exercise any right or remedy granted under this Security Agreement shall impair such right or remedy or be construed to be a waiver of any Event of Default, or an acquiescence therein, and any single or partial exercise of any such right or remedy shall not preclude any other or further exercise thereof or the exercise of any other right or remedy. No waiver, amendment or other variation of the terms, conditions or provisions of this Security Agreement whatsoever shall be valid unless in writing signed by Agent and then only to the extent in such writing specifically set forth. All rights and remedies contained in this Security Agreement or by law afforded shall be cumulative and all shall be available to Agent until the Secured Obligations have been paid in full.

ARTICLE VII

PROCEEDS; COLLECTION OF RECEIVABLES

7.1 Lockboxes. Upon request of Agent, Debtor shall execute and deliver to Agent, on behalf of the Secured Parties, irrevocable lockbox agreements in the form provided by or otherwise acceptable to Agent, which agreements shall be accompanied by an acknowledgment by the bank where the lockbox is located of the Lien of Agent and the Secured Parties granted hereunder and of irrevocable instructions to wire all amounts collected therein to a special collateral account at Agent.

7.2 Collection of Receivables. Upon the occurrence and continuation of an Event of Default, Agent may at any time in its sole discretion, by giving Debtor written notice, elect to require that the Receivables be paid directly to Agent. In such event, Debtor shall, and shall permit Agent to, promptly notify the Account Debtors or obligors under the Receivables of the Banks' interest therein and direct such Account Debtors or obligors to make payment of all amounts then or thereafter due under the Receivables directly to Agent. Upon receipt of any such notice from Agent, Debtor shall thereafter hold in trust for Agent and the Secured Parties, all amounts and proceeds received by it with respect to the Receivables and Other Collateral and immediately and at all times thereafter deliver to Agent all such amounts and proceeds in the same form as so received, whether by cash, check, draft or otherwise, with any necessary endorsements. Agent shall hold and apply funds so received as provided by the terms of *Sections 7.3 and 7.4.*

7.3 Special Collateral Account. Agent may require all cash proceeds of the Collateral to be deposited in a special non-interest bearing cash collateral account and held there as security for the Secured Obligations. Debtor shall not have control whatsoever over said cash collateral account. If no Event of Default has occurred or is continuing, Agent shall from time to time deposit the collected balances in said cash collateral account into Debtor's general operating

account. If any Event of Default has occurred and is continuing, Agent may, from time to time, apply the collected balances in said cash collateral account to the payment of the Secured Obligations whether or not the Secured Obligations shall then be due.

7.4 Application of Proceeds. After the occurrence and during the continuation of an Event of Default, the proceeds of the Collateral shall be applied by Agent to payment of the Secured Obligations in such manner and order as Agent may elect in its sole discretion.

ARTICLE VIII

GENERAL PROVISIONS

8.1 Notice of Disposition of Collateral. Debtor hereby waives notice of the time and place of any public sale or the time after which any private sale or other disposition of all or any part of the Collateral may be made. To the extent such notice may not be waived under applicable law, any notice made shall be deemed reasonable if sent to Debtor, addressed as set forth in *Article IX*, at least 10 days prior to (i) the date of any such public sale or (ii) the time after which any such private sale or other disposition may be made.

8.2 Compromises and Collection of Collateral. Debtor and Agent recognize that setoffs, counterclaims, defenses and other claims may be asserted by obligors with respect to certain of the Receivables, that certain of the Receivables may be or become uncollectible in whole or in part and that the expense and probability of success in litigating a disputed Receivable may exceed the amount that reasonably may be expected to be recovered with respect to a Receivable. In view of the foregoing, Debtor agrees that Agent may at any time and from time to time, if an Event of Default has occurred and is continuing, compromise with the obligor on any Receivable, accept in full payment of any Receivable such amount as Agent in its sole discretion shall determine or abandon any Receivable, and any such action by Agent shall be commercially reasonable so long as Agent acts in good faith based on information known to it at the time it takes any such action.

8.3 Agent's Performance of Debtor's Obligations. Without having any obligation to do so, Agent may perform or pay any obligation which Debtor has agreed to perform or pay in this Security Agreement and Debtor shall reimburse Agent for any amounts paid by Agent pursuant to this *Section 8.3*. Debtor's obligation to reimburse Agent pursuant to the preceding sentence shall be a Secured Obligation payable on demand.

8.4 Authorization for Agent to Take Certain Action. Debtor irrevocably authorizes Agent at any time and from time to time in the sole discretion of Agent and appoints Agent, on behalf of the Secured Parties, as its attorney in fact (i) to execute on behalf of Debtor as debtor and to file financing statements necessary or desirable in the Agent's sole discretion to perfect and to maintain the perfection and priority of Agent and Secured Parties' security interest in the Collateral, (ii) to endorse and collect any cash proceeds of the Collateral, (iii) to file a carbon, photographic or other reproduction of this Security Agreement or any financing statement with respect to the Collateral as a financing statement in such offices as the Agent in its sole discretion deems necessary or desirable to perfect and to maintain the perfection and priority of Agent and Secured Parties' security interest in the Collateral, (iv) to contact and enter

into one or more agreements with the issuers of uncertificated securities which are Collateral and which are Securities or with financial intermediaries holding other Investment Property as may be necessary or advisable to give Agent, on behalf of the Secured Parties, Control over such Securities or other Investment Property, (v) subject to the terms of *Section 4.1.4*, to enforce payment of the Receivables in the name of Agent, on behalf of the Secured Parties, or Debtor, (vi) to apply the proceeds of any Collateral received by Agent to the Secured Obligations as provided in *Article VII* and (vii) to discharge past due taxes, assessments, charges, fees or Liens on the Collateral (except for such Liens as are specifically permitted hereunder), and Debtor agrees to reimburse Agent on demand for any payment made or any expense incurred by Agent in connection therewith, provided that this authorization shall not relieve Debtor of any of its obligations under this Security Agreement or under the Credit Agreement.

8.5 Specific Performance of Certain Covenants. Debtor acknowledges and agrees that a breach of any of the covenants contained in *Sections 4.1.4, 4.1.6, 4.4, 5.3, or 8.7* or in *Article VII* will cause irreparable injury to Agent and the Secured Parties, that Agent and Secured Parties have no adequate remedy at law in respect of such breaches and therefore agrees, without limiting the right of Agent and the Secured Parties to seek and obtain specific performance of other obligations of Debtor contained in this Security Agreement, that the covenants of Debtor contained in the Sections referred to in this *Section 8.5* shall be specifically enforceable against Debtor.

8.6 Use and Possession of Certain Premises. Upon the occurrence of an Event of Default, Agent shall be entitled to occupy and use any premises owned or leased by Debtor where any of the Collateral or any records relating to the Collateral are located until the Secured Obligations are paid or the Collateral is removed therefrom, whichever first occurs, without any obligation to pay Debtor for such use and occupancy.

8.7 Dispositions Not Authorized. Debtor is not authorized to sell or otherwise dispose of the Collateral except as set forth in *Section 4.1.5* and notwithstanding any course of dealing between Debtor and the Agent or other conduct of the Agent, no authorization to sell or otherwise dispose of the Collateral (except as set forth in *Section 4.1.5*) shall be binding upon Agent unless such authorization is in writing signed by Agent.

8.8 Benefit of Agreement. The terms and provisions of this Security Agreement shall be binding upon and inure to the benefit of Debtor, Agent, the Secured Parties and their respective successors and assigns, except that Debtor shall not have the right to assign its rights or delegate its obligations under this Security Agreement or any interest herein, without the prior written consent of Agent.

8.9 Survival of Representations. All representations and warranties of Debtor contained in this Security Agreement shall survive the execution and delivery of this Security Agreement.

8.10 Taxes and Expenses. Any taxes (including income taxes) payable or ruled payable by Federal or State authority in respect of this Security Agreement shall be paid by Debtor, together with interest and penalties, if any. Debtor shall reimburse Agent for any and all out-of-pocket expenses and internal charges (including reasonable attorneys', auditors' and

accountants' fees and reasonable time charges of attorneys, paralegals, auditors and accountants who may be employees of Agent) paid or incurred by Agent in connection with the preparation, execution, delivery, administration, collection and enforcement of this Security Agreement and in the audit, analysis, administration, collection, preservation or sale of the Collateral (including the expenses and charges associated with any periodic or special audit of the Collateral). Any and all costs and expenses incurred by Debtor in the performance of actions required pursuant to the terms hereof shall be borne solely by Debtor.

8.11 Headings. The title of and section headings in this Security Agreement are for convenience of reference only, and shall not govern the interpretation of any of the terms and provisions of this Security Agreement.

8.12 Termination. This Security Agreement shall continue in effect (notwithstanding the fact that from time to time there may be no Secured Obligations outstanding) until (i) the Credit Agreement has terminated pursuant to its express terms and (ii) all of the Secured Obligations have been indefeasibly paid and performed in full and no commitments of Agent or Secured Parties which would give rise to any Secured Obligations are outstanding.

8.13 Entire Agreement. This Security Agreement embodies the entire agreement and understanding between Debtor, Agent and Secured Parties relating to the Collateral and supersedes all prior agreements and understandings between Debtor Agent and Secured Parties relating to the Collateral.

8.14 CHOICE OF LAW. THIS SECURITY AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK, EXCEPT TO THE EXTENT THE LAWS OF ANY JURISDICTION WHERE COLLATERAL IS LOCATED REQUIRE APPLICATION OF SUCH LAWS WITH RESPECT TO SUCH COLLATERAL.

8.15 INDEMNITY. DEBTOR HEREBY AGREES TO INDEMNIFY AGENT AND SECURED PARTIES AND THEIR RESPECTIVE SUCCESSORS, ASSIGNS, AGENTS, ATTORNEYS, AND EMPLOYEES, FROM AND AGAINST ANY AND ALL LIABILITIES, DAMAGES, PENALTIES, SUITS, COSTS, AND EXPENSES OF ANY KIND AND NATURE (INCLUDING, WITHOUT LIMITATION, ALL EXPENSES OF LITIGATION OR PREPARATION THEREFOR WHETHER OR NOT AGENT OR SECURED PARTIES ARE A PARTY THERETO) IMPOSED ON, INCURRED BY OR ASSERTED AGAINST AGENT OR SECURED PARTIES OR THEIR RESPECTIVE SUCCESSORS, ASSIGNS, AGENTS, ATTORNEYS, AND EMPLOYEES, IN ANY WAY RELATING TO OR ARISING OUT OF THIS SECURITY AGREEMENT, OR THE MANUFACTURE, PURCHASE, ACCEPTANCE, REJECTION, OWNERSHIP, DELIVERY, LEASE, POSSESSION, USE, OPERATION, CONDITION, SALE, RETURN OR OTHER DISPOSITION OF ANY COLLATERAL (INCLUDING, WITHOUT LIMITATION, LATENT AND OTHER DEFECTS, WHETHER OR NOT DISCOVERABLE BY THE AGENT OR SECURED PARTIES OR DEBTOR, AND ANY CLAIM FOR PATENT, TRADEMARK OR COPYRIGHT INFRINGEMENT). WITHOUT LIMITING ANY PROVISION OF THIS SECURITY AGREEMENT OR OF ANY OTHER LOAN DOCUMENT, IT IS THE EXPRESS INTENTION OF THE PARTIES HERETO THAT EACH PERSON TO BE INDEMNIFIED UNDER THIS SECTION SHALL

BE INDEMNIFIED FROM AND HELD HARMLESS AGAINST ANY AND ALL LOSSES, LIABILITIES, CLAIMS, DAMAGES, PENALTIES, JUDGMENTS, DISBURSEMENTS, COSTS, AND EXPENSES (INCLUDING ATTORNEYS' FEES) ARISING OUT OF OR RESULTING FROM THE SOLE CONTRIBUTORY OR ORDINARY NEGLIGENCE OF SUCH PERSON.

ARTICLE IX

NOTICES

9.1 Sending Notices. Any notice required or permitted to be given under this Security Agreement shall be sent (and deemed received) in the manner and to the addresses set forth in the Credit Agreement.

9.2 Change in Address for Notices. Each of Debtor and Agent may change the address for service of notice upon it by a notice in writing to the other parties.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, Debtor and Agent have executed this Security Agreement as of the date first above written.

DEBTOR:

ACADEMIC PARTNERSHIPS, LLC

By: _____

Name: Carl Sparks

Title: President and Chief Executive Officer

Signature Page to Pledge and Security Agreement
(Academic Partnerships, LLC)

TRADEMARK
REEL: 006030 FRAME: 0486

AGENT:

MSD ACADEMIC PARTNERS, LLC, as Administrative Agent

By: 
Name: Marcello Ligusti
Title: Vice President

[Signature Page to Pledge and Security Agreement - Academic Partnerships, LLC]

EXHIBIT A

Deposit Accounts

Each of the following Deposit Accounts maintained with Agent:

Texas Capital Bank, N.A.
2000 McKinney Avenue, Ste. 700
Dallas, TX 75201
(214) 932-6600
Officer/Contact: Karen Rushing
Operating Account Number: 1111041891

Texas Capital Bank, N.A.
2000 McKinney Avenue, Ste. 700
Dallas, TX 75201
(214) 932-6600
Officer/Contact: Karen Rushing
Operating Account Number: 1111076475

Texas Capital Bank, N.A.
2000 McKinney Avenue, Ste. 700
Dallas, TX 75201
(214) 932-6600
Officer/Contact: Karen Rushing
Operating Account Number: 1111100119

Texas Capital Bank, N.A.
2000 McKinney Avenue, Ste. 700
Dallas, TX 75201
(214) 932-6600
Officer/Contact: Karen Rushing
Operating Account Number: 1111100101

EXHIBIT B

List of Instruments, Securities and Other Investment Property

A. STOCKS:

<u>Issuer</u>	<u>Certificate Number</u>	<u>Number of Shares</u>
None.		

B. BONDS:

<u>Issuer</u>	<u>Number</u>	<u>Face Amount</u>	<u>Coupon Rate</u>	<u>Maturity</u>
None.				

C. GOVERNMENT SECURITIES:

<u>Issuer</u>	<u>Number</u>	<u>Type</u>	<u>Face Amount</u>	<u>Coupon Rate</u>	<u>Maturity</u>
None.					

D. OTHER SECURITIES OR OTHER INVESTMENT PROPERTY
(CERTIFICATED AND UNCERTIFICATED):

<u>Issuer</u>	<u>Description of Collateral</u>	<u>Percentage Ownership Interest</u>
Academic Partnerships Worldwide, LLC	Texas limited liability company	100%
Academic Partnerships Paragon, LLC	Delaware limited liability company	100%
Academic Partnerships International Ltd.	Foreign corporation (UK)	100%
Academic Partnerships International (South East Asia) PTE Ltd.	Foreign corporation (Singapore)	100%
Academic Partnerships International (Hong Kong) Ltd.	Foreign corporation (Hong Kong)	100%
Academic Partnerships International (Australia) PTY Ltd.	Foreign corporation (Australia)	100%
AP LatAm Holdings, LLC	Delaware limited liability company	49%

EXHIBIT C

Locations

Principal Place of Business and Mailing Address:

600 North Pearl Street, Suite 900
Dallas, Texas 75201

2200 Ross Avenue, Suite 3800
Dallas, Texas 75201

Location(s) of Receivables Records (if different from Principal Place of Business above):

N/A

Other places of Business:

517 E. Border Street, Tarrant County, Texas
Arlington, Texas 76010

Locations of Inventory:

A. INVENTORY

600 North Pearl Street, Suite 900
Dallas, Texas 75201

Previous Locations within Last 4 Months

None.

EXHIBIT D

Organizational Identification Number; Jurisdiction of Organization

Academic Partnerships, LLC	
Organizational ID #	4785665
Jurisdiction of Formation	Delaware
Prior Names	None

EXHIBIT E

Intellectual Property Collateral

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TRADEMARKS

Mark Name	Image	Status	Reg. Date	Registration No.	Country
AP Academic Partnership (and Design)		Registered	4/18/2013	11350055	European Union
Academic Partnerships		Published	File Date: 3/3/16	App. Number: 86/927,883	United States
Academic Partnerships		Registered	1/21/2014	4,472,645	United States
AP Academic Partnership (and Design)		Registered	01-Dec-2014	1498324	Mexico
AP Academic Partnership (and Design)		Registered	19-Mar-2013	1355703	Mexico
AP Academic Partnership (and Design)		Registered	06-Sep-2013	1395368	Mexico
Academic Partnerships International (and Design)		Published	File Date: 3/3/16	App. Number: 86/927,941	United States
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U Scholar (and Design)		Registered	11/25/2014	4,646,768	United States