

08-02-1999

FORM PTO-1594 (Rev. 6-83)

7.29.99 RECORD



U.S. DEPARTMENT OF COMMERCE Patent and Trademark Office

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

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Tab settings

To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

1. Name of conveying party(ies):

NPC, Inc. 250 Elm Street P.O. Box 301 Milford, NH 03055

- Individual(s), Association, General Partnership, Limited Partnership, Corporation-State Delaware, Other

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

3. Nature of conveyance:

- Assignment, Merger, Security Agreement, Change of Name, Other

Execution Date: As of June 25, 1999

2. Name and address of receiving party(ies)

Name: Massachusetts Mutual Life Insurance Company

Internal Address:

Street Address: 1295 State Street

City: Springfield State: MA ZIP: 01111

*See Schedule I attached hereto for additional names

- Individual(s) citizenship, Association, General Partnership, Limited Partnership, Corporation-State, Other Massachusetts insurance company

If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No

(Designations must be a separate document from assignment)

Additional name(s) & address: attached? Yes No

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

A. Trademark Application No.(s)

See Annex 2 to the Security Agreement attached hereto

B. Trademark Registration No.(s)

See Annex 2 to the Security Agreement attached hereto

Additional numbers attached? Yes No

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

Name: Lucia B. Lamb

Internal Address: Bingham Dana

Street Address: One State Street

City: Hartford State: CT ZIP: 06103

6. Total number of applications and registrations involved: 5

7. Total fee (37 CFR 3.41) \$ 140.00

- Enclosed, Authorized to be charged to deposit account

8. Deposit account number:

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

07/30/1999 NTHAI1 00000214 75391633

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01 FE:461 40.00 OP 02 FE:462 100.00 OP

Statement and signature.

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

Lucia B. Lamb Name of Person Signing

Signature of Lucia B. Lamb

7/28/99 Date

Total number of pages including cover sheet, attachments, and document: 43

Mail documents to be recorded with required cover information to: Commission Patents Trademarks, Box 101

TRADEMARK REEL: 001937 FRAME: 0655

Schedule 1

Continuation of Receiving Parties

MassMutual Corporate Investors
c/o Massachusetts Mutual Life Insurance Company
1295 State Street
Springfield, MA 01111

MassMutual Participation Investors
c/o Massachusetts Mutual Life Insurance Company
1295 State Street
Springfield, MA 01111

MassMutual Corporate Value Partners Limited
c/o Bank of America Trust and Banking
Corporation (Cayman) Limited
P.O. Box 1092
George Town
Grand Cayman
Cayman Islands, B.W.I.

07-Jun-99

Client Information For NPC

Trademarks

Docket Name:
NPC-T002JP

Mark:
NPC And Design

Filing Date:	Serial Number:	Status:	Registration No:	Issue Date:
May 18, 1998	10-41393	Pending	**	**

Docket Name:
NPC-T002XX

Mark:
NPC And Design

Filing Date:	Serial Number:	Status:	Registration No:	Issue Date:
November 17, 1997	75/391,633	Issued	2,231,857	March 16, 1999

Docket Name:
NPC-T003XX

Mark:
KOR-N-SEAL And Design

Filing Date:	Serial Number:	Status:	Registration No:	Issue Date:
February 14, 1996	75/057,688	Acceptance	2,080,955	July 22, 1997

Docket Name:
NPC-T004XX

Mark:
"NPC"

Filing Date:	Serial Number:	Status:	Registration No:	Issue Date:
May 8, 1992	74/274,078	Registered	1,749,841	February 2, 1993

Docket Name:
NPC-T005XX

Mark:
KOR-N-TEE

Filing Date:	Serial Number:	Status:	Registration No:	Issue Date:
Jan. 12, 1987	73/639,142	Registered	1,481,617	March 22, 1988

Docket Name:
NPC-T006XX

Mark:
HYDROKOR

Filing Date:	Serial Number:	Status:	Registration No:	Issue Date:
Aug. 3, 1976	73/074,743	Registered	1,045,309	August 3, 1996

Docket Name:
NPC-T007XX

Mark:
KOR-N-SEAL And Design

Filing Date:	Serial Number:	Status:	Registration No:	Issue Date:
**	**	Abandoned	1,051,866	Nov. 2, 1976

NPC, INC.

TO

**MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY
MASSMUTUAL PARTICIPATION INVESTORS
MASSMUTUAL CORPORATE INVESTORS
MASSMUTUAL CORPORATE VALUE PARTNERS LIMITED**

Security Agreement

DATED AS OF JUNE 25, 1999

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SECURITY AGREEMENT

SECURITY AGREEMENT (as may be amended, restated, supplemented or otherwise modified from time to time, this "Agreement"), dated as of June 25, 1999, among NPC, INC. (together with its successors and assigns, the "**Company**") a Delaware corporation, and **MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY, MASSMUTUAL PARTICIPATION INVESTORS, MASSMUTUAL CORPORATE INVESTORS** and **MASSMUTUAL CORPORATE VALUE PARTNERS LIMITED** (together with each other holder of a Secured Obligation (as hereinafter defined), the "**Secured Parties**" and individually a "**Secured Party**").

1. PRELIMINARY STATEMENTS OF THE COMPANY

1.1 Pursuant to the Note Agreement and certain of the other Financing Documents, the Secured Parties have extended, or will extend, certain financial accommodation to the Company.

1.2 The Liens granted herein to the Secured Parties by the Company are for the ratable benefit of the Secured Parties.

1.3 All acts and proceedings required by law and by the certificate or articles of incorporation, bylaws or other constitutive documents of the Company necessary to constitute this Agreement a valid and binding agreement for the uses and purposes set forth herein, in accordance with its terms, have been done and taken, and the execution and delivery hereof has been in all respects duly authorized.

2. INTERPRETATION OF THIS AGREEMENT

2.1 Terms Defined.

As used in this Agreement, the following terms have the respective meanings set forth below or provided for in the section or other part of this Agreement referred to immediately following such term (such definitions to be equally applicable to both the singular and plural forms of the terms defined) or, if not defined herein, then as defined in the Note Agreement.

Account Debtor -- shall mean the Person obligated to the Company pursuant to an Account.

Accounts -- means

(a) all of the present and future accounts, contract rights, instruments, documents and other forms of obligations of, or owing to, the Company (whether from or owed by the Company, any Subsidiary or any other Person), which, in each case, arise out of or in connection with the sale, lease or other disposition of Inventory by the Company or in respect of the rendering of services by the Company, as the case may be, and

(b) all other "accounts" (as such term is defined in the Code).

Agreement -- has the meaning specified in the introductory sentence hereof.

Books and Records -- has the meaning specified in Section 3.1(m).

Business Day -- means a day other than a Saturday, a Sunday or a day on which banks located in New York City, New York are authorized or required by law (other than a general banking moratorium or holiday for a period exceeding four consecutive days) to be closed.

Capital Lease -- means, at any time, a lease with respect to which the lessee is required concurrently to recognize the acquisition of an asset and the incurrence of a liability in accordance with GAAP.

Chattel Paper -- means all of the Company's chattel paper, as such term is defined in the Code, including, without limitation, all of the Company's writings which evidence both a monetary obligation and a security interest in or a lease of specific goods.

Code -- means the Uniform Commercial Code as in effect from time to time in the State of New York.

Company -- has the meaning specified in the introductory sentence hereof.

Default -- means an event or condition the occurrence of which would, with the lapse of time or the giving of notice or both, become an Event of Default.

Environmental Protection Law -- means any and all Federal, state, local, and foreign statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or governmental restrictions relating to pollution and the protection of the environment or the release of any materials into the environment, including but not limited to those related to hazardous substances or wastes, air emissions and discharges to waste or public systems.

Equipment -- means all of the Company's equipment in all of its forms, wherever located, whether presently owned or hereafter acquired, and all parts thereof and all accessions thereto, including, without limitation, all machinery, furniture, furnishings, fixtures, motor vehicles, tools, motors, parts, Spare Parts, accessories, supplies and all other "equipment" (as such term is defined in the Code) of the Company.

Event of Default -- has the meaning specified in Section 4.1.

Financing Documents -- has the meaning specified in the Note Agreement.

GAAP -- means generally accepted accounting principles as in effect from time to time in the United States of America.

General Intangibles -- means all of the Company's general intangibles (as such term is defined in the Code), including, but not limited to, patents, trademarks and copyrights, applications therefor (including without limitation, all patents, trademarks, copyrights and copyright registrations and applications therefor which are listed in Annex 2 hereto), and licenses thereof (whether as licensor

or licensee), other licenses, customer lists, telephone and similar communications listings, rights, title and interest pursuant to any non-compete agreements or covenants with any third parties, trade names and trademarks and the goodwill of the business symbolized thereby, Federal, State and local tax refund claims of all kinds, equipment formulations, manufacturing procedures, quality control procedures, product specifications, other obligations of any kind, now or hereafter existing, including, without limitation, any notes, drafts, stocks, securities or other obligations received in settlement of or in connection with the payment of any of the foregoing items, and any rights, remedies or benefits under any contract, agreement, or instrument, or any other relationship.

Governmental Authority -- means

- (a) the government of the United States of America or any state or other political subdivision thereof, or
- (b) any entity exercising executive, legislative, judicial, regulatory or administrative functions of, or pertaining to, any such government.

Inventory -- means all of the Company's present and future inventory (including, without limitation, all present and future goods, merchandise and other personal Property of the Company held for sale, lease or other disposition), in all its forms, including, but not limited to

- (a) work-in-process, raw materials and other goods and materials used and consumed in the production thereof,
- (b) goods in which the Company has an interest in mass or a joint or other interest or right of any kind, including, without limitation, goods in which the Company has an interest or right as consignee,
- (c) packaging materials, wherever located, and goods and materials relating thereto of any kind, nature or description which are or might be used or consumed in the business of the Company, or used in selling of such inventory,
- (d) any inventory which is returned to or reclaimed or repossessed by the Company,
- (e) all documents of title or other similar documents representing the same and
- (f) all other "inventory" (as such term is defined in the Code); the aforesaid inventory shall be included in this definition whether in the actual, constructive possession of the Company or in transit to the Company or in the possession of carriers, forwarding agents, bailees, truckers, warehousemen, vendors, customers, selling agents, finishers, converters or any other third parties.

Lien -- means any interest in Property securing an obligation owed to, or a claim by, a Person other than the owner of the Property, whether such interest is based on common law, statute or contract, and including, but not limited to, the security interest lien arising from a mortgage,

encumbrance, pledge, conditional sale, sale with recourse or a trust receipt, or a lease, consignment or bailment for security purposes. The term "Lien" includes, without limitation, reservations, exceptions, encroachments, easements, rights-of-way, covenants, conditions, restrictions, leases and other title exceptions and encumbrances affecting real Property and includes, without limitation, with respect to stock, stockholder agreements, voting trust agreements, buy-back agreements and all similar arrangements. For the purposes hereof, the Company shall be deemed to be the owner of any Property that it shall have acquired or holds subject to a conditional sale agreement, Capital Lease or other arrangement pursuant to which title to the Property has been retained by or vested in some other Person for security purposes, and such retention or vesting is deemed a Lien. The term "Lien" does not include negative pledge clauses in agreements relating to the borrowing of money.

Material Adverse Effect -- means a material adverse effect on

(a) the business, operations, affairs, financial condition, assets or properties of the Company, taken as a whole, or

(b) the ability of the Company to perform its obligations under any of the Financing Documents to which it is a party, or

(c) the validity or enforceability against the Company of any of the Financing Documents.

Note Agreement -- means, collectively, each of the Note and Warrant Purchase Agreements, dated the date hereof, between the Company and each of the Purchasers listed on Annex 1 thereto.

Notes -- has the meaning specified in the Note Agreement.

Patents -- means all right, title and interest in and to United States and foreign patents and patent applications, including, without limitation, the inventions and improvements described and claimed therein, and the reissues, divisions, continuations, continuations in part, extensions and renewals thereof and all income, license royalties, damages and payments due and/or payable under and with respect to all patents and patent applications, including, without limitation, damages and payments for past, present and future infringements thereof against third parties and the right to sue for past, present and future infringements thereof and all rights corresponding thereto throughout the world.

Permits and Warranties -- with respect to the Company means, all permits, licenses, manufacturer's warranties, performance guarantees, service contracts, maintenance contracts, and other similar general intangibles which are necessary for, or used or useful in connection with, the operation of the Company's business.

Person -- means an individual, sole proprietorship, partnership, corporation, trust, joint venture, unincorporated organization, limited liability company or a government or agency or political subdivision thereof.

Pledge Agreement -- means the Pledge Agreement, dated as of the date hereof, of the Company in favor of the Secured Parties, together with any acknowledgements and agreements delivered in connection therewith, as the same may be amended, restated, supplemented or otherwise modified from time to time.

Property -- means any interest in any kind of property or asset, whether real, personal or mixed, and whether tangible or intangible.

Required Secured Parties -- means, at any time, the holders of more than 50% in principal amount of the Secured Obligations at the time outstanding (exclusive of Secured Obligations then owned by any one or more of the Issuer, any Subsidiary or any Affiliate).

Secured Parties -- has the meaning set forth in the introductory sentence hereof.

Secured Obligations -- means, at any time, all obligations of the Company in respect of the payment of principal, interest, and Prepayment Compensation Amount (if any) on the Notes and under the Note Agreement to or for the benefit of the Secured Parties at such time, and the payment of all other amounts of the Company owing to such Secured Parties thereunder or under any of the Security Documents at such time to or for their benefit.

Secured Property -- Section 3.1.

Security Documents -- has the meaning specified in the Note Agreement.

Spare Parts -- means and includes all parts and accessories, and replacements and substitutions therefor, owned or held by the Company for repair of machinery or other equipment owned by the Company.

Subsidiary -- has the meaning specified in the Note Agreement.

Trademarks -- means all right, title and interest in and to United States and foreign trademarks, trade names, service marks, trademark registrations and trademark applications, whether now owned or hereafter existing or acquired, including, without limitation, all renewals thereof, and all income, royalties, damages and payments now and hereafter due and/or payable under all trademarks and trademark applications, including, without limitation, damages and payments for past, present and future infringements thereof against third parties and the right to sue for past, present and future infringements thereof and all rights corresponding thereto throughout the world, and all goodwill relating to any of the foregoing.

2.2 **Section Headings and Table of Contents and Construction.**

(a) Section Headings and Table of Contents, etc. The titles of the Sections of this Agreement and the Table of Contents of this Agreement appear as a matter of convenience only, do not constitute a part hereof and shall not affect the construction hereof. The words "herein," "hereof," "hereunder" and "hereto" refer to this Agreement as a whole and not to any

particular Section or other subdivision. References to Sections are, unless otherwise specified, references to Sections of this Agreement. References to Annexes, Schedules, Exhibits and Attachments are, unless otherwise specified, references to Annexes, Schedules, Exhibits and Attachments attached to this Agreement.

(b) Construction Each covenant contained herein shall be construed (absent an express contrary provision herein) as being independent of each other covenant contained herein, and, except as otherwise provided, compliance with any one covenant shall not (absent such an express contrary provision) be deemed to excuse compliance with one or more other covenants.

2.3 Partial Invalidity.

The unenforceability or invalidity of any provision or provisions of this Agreement shall not render any other provision or provisions contained in this Agreement unenforceable or invalid.

2.4 Governing Law.

THIS AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE INTERNAL LAWS OF THE STATE OF NEW YORK.

3. SECURED PROPERTY

3.1 Grant of Security Interest.

As security for the payment by the Company of the Secured Obligations and the performance by the Company of its obligations and undertakings under this Agreement and under the other Financing Documents, the Company does hereby grant, bargain, convey, assign, transfer, mortgage, hypothecate, pledge, confirm and grant a continuing security interest to the Secured Parties in and to all of its right, title and interest in and to its presently owned and hereafter acquired tangible and intangible Property (such Property being referred to as the "Secured Property"), including with respect to the Company, without limitation, the following:

- (a) all Accounts;
- (b) all Inventory;
- (c) all Equipment;
- (d) all General Intangibles;
- (e) all Chattel Paper;
- (f) all Patents;
- (g) all Trademarks;

(h) all Permits and Warranties;

(i) all interests in deposit and other bank accounts;

(j) all moneys, securities and other Property and the proceeds thereof in respect of the Accounts, now or hereafter held or received by, any Secured Party, the Company, or in transit to any Secured Party from or for the Company, whether for safekeeping, pledging, custody, transmission, collection or otherwise;

(k) all of the rights, remedies, security interests and Liens of the Company, in, to and in respect of the Accounts (including, without limitation, rights of stoppage in transit, rights of replevin, rights of repossession and reclamation and other rights and remedies of an unpaid vendor, lien or, consignor or secured party) and all guaranties, credit insurance, insurance policies or other contracts of suretyship with respect to the Accounts, Chattel Paper or General Intangibles;

(l) all of the right, title and interest of the Company in, to and in respect of, all goods (and any warranties in respect thereof) relating to, or which by sale, lease or other disposition have resulted in, Accounts, including, without limitation, all goods described in invoices or other documents or instruments with respect to, or otherwise representing or evidencing, any Account;

(m) all books, records, operator's manuals, ledger cards, computer programs, computer disks and tapes and other similar Property and general intangibles at any time evidencing or relating to the Accounts, the Inventory or any of the other Secured Property referred to in clause (a) through clause (l), inclusive, above (the "**Books and Records**");

(n) to the extent not covered by any of the foregoing clauses (a) through (m), inclusive, all "securities" (as defined in the Code or in the Securities Act of 1933, as amended) owned or held by the Company, all "instruments" (as such term is defined in the Code) owned or held by the Company, all "documents" and "documents of title" (as defined in the Code), all interests of the Company under any lease, all "contract rights" (as now or formerly defined in the Code) owned or held by the Company and all "goods" (as defined in the Code); and

(o) all proceeds and products of the Secured Property referred to in clause (a) through clause (n), inclusive, above in whatever form, including, but not limited to: cash, deposit accounts (whether or not comprised solely of proceeds), certificates of deposit, insurance proceeds, negotiable instruments and other instruments for the payment of money, chattel paper, security agreements or documents (including, without limitation, any claims by the Company against third parties for loss or compensation with respect to damage, destruction or condemnation of any of the aforesaid Secured Property or in respect of a breach of warranty with respect to any of the aforesaid Secured Property);

provided, however, that the term "Secured Property" will not include any Permits and Warranties, Patents, Trademark, Copyrights or other Property in which the owner, holder or licensee thereof is prohibited from granting a security interest whether by applicable law or the governing documents.

3.2 Secured Property-Related Rights and Undertakings.

(a) **Chief Executive Office; Notice of Changes of Address or Name.** The Company hereby represents, warrants and covenants to the Secured Parties that the chief executive office of the Company (and the office where all of the Books and Records of the Company are maintained) is located at the applicable address set forth on Annex 1, and that the Company shall not change the address of such chief executive office to an address outside the State or county of such address, or merge or consolidate with any Person or change its name unless the Company shall have given thirty (30) days prior written notice thereof to each of the Secured Parties.

(b) **Ownership of Secured Property; Lien of the Secured Parties.** The Company hereby represents, warrants and covenants to the Secured Parties that the Secured Property granted by the Company hereunder is now, and at all times shall be, owned by the Company free and clear of all Liens (other than Liens permitted by Section 6.16 of the Note Agreement or restrictions on transfer of pledged securities imposed by applicable corporate or securities laws). The Company shall defend the Secured Property from all claims and demands of all other Persons. The Company shall comply with the requirements of all state and federal laws, rules and regulations in order to grant the security interests herein granted in and to the Secured Property, to maintain the perfection and priority of such security interests and to permit the Secured Parties to realize on such Secured Property, as provided herein. Each Patent, Trademark and Copyright owned or licensed by the Company is listed on Annex 2 attached hereto.

(c) Financing Statements; Further Assurances.

(i) The Company hereby agrees to execute such financing statements as the Secured Parties may from time to time request in writing, and take such other action (including, without limitation, the preparation and filing, at its own expense, of all continuation statements) as may be required to perfect and to keep continuously perfected the Secured Parties' security interest and Lien in the Secured Property. Each Secured Party is hereby authorized by the Company to execute and file any such financing statements and continuation statements on the Company's behalf, unless prohibited by law, and, if the Company fails to make such filings within ten (10) days of any request therefor by any Secured Party, any Secured Party may, but shall not be obligated to, make such filings subject to the provisions hereof.

(ii) The Company shall, at its sole cost and expense, perform all acts and execute all documents reasonably requested by the Secured Parties from time to time to evidence, perfect, preserve the priority of, maintain or enforce the Secured Parties' security interests granted herein or otherwise in furtherance of the provisions of this Agreement. At any time and from time to time, the Company shall, at its sole cost

and expense, execute and deliver to the Secured Parties such financing statements pursuant to the Uniform Commercial Code of any applicable jurisdiction, and shall execute, acknowledge, deliver and record, or will cause to be executed, acknowledged, delivered or recorded, all such further instruments, deeds, conveyances, mortgages, supplemental indentures, transfers, continuation statements and assurances as are necessary or reasonably appropriate to preserve, protect, continue and maintain the perfection and priority of the Lien of the Secured Parties in and to the Secured Property or, as the Secured Parties may reasonably require, for the better granting, bargaining, selling, remising, releasing, confirming, conveying, warranting, assigning, transferring, mortgaging, pledging, delivering and setting over to the Secured Parties every part of such security, or as may be reasonably required in order to transfer to any successor Secured Party the interests, powers and rights hereunder. The Company hereby authorizes each Secured Party to execute and file at any time and from time to time one or more financing statements or copies thereof or of this Agreement (and any continuation statements in respect thereof) with respect to the Secured Property signed only by a Secured Party.

(d) ***Sale of Secured Property.*** The Company shall not assign, sell, transfer, or otherwise dispose of, nor shall the Company suffer or permit any of the same to occur with respect to, any Secured Property other than

- (i) in respect of the sale of Inventory in the ordinary course of business,
- (ii) as otherwise permitted by Section 6.14 of the Note Agreement,
- (iii) in respect of the collection of checks, drafts, money orders or other instruments in respect of the Accounts as contemplated by Section 3.2(i)(ii), or
- (iv) with the prior written consent of the Required Secured Parties.

(e) ***Access to Secured Property; Maintenance of Books and Records.*** The Secured Parties shall at all times have free access to and right of inspection of the Secured Property and any records pertaining thereto upon request at and reasonable times (and the right to make extracts from and to receive from the Company originals or true copies of such Books and Records and instruments relating to any Secured Property upon request therefor at reasonable times and as reasonably requested). The Company shall maintain the Books and Records and such other records as will enable it and the Secured Parties to accurately determine the status of the Secured Property in a prompt manner. All of the Books and Records and such other records shall be maintained at the respective addresses set forth on Annex 1 until such time the Company shall be permitted to change such location in accordance with Section 3.2.

(f) Use of Equipment; Notices Regarding Changes in Equipment.

(i) The Company hereby represents, warrants and covenants to the Secured Parties that all of the Equipment is used in the business of the Company (and not for personal, family, household or farming use) for lawful purposes only and in compliance in all material respects with all laws, rules and governmental regulations relating thereto.

(ii) The Company will, at the Company's sole expense, keep the Equipment in good repair, working under and condition in all material respects, normal wear and tear and damage due to casualty excepted.

(iii) The Company shall promptly (and in any event within ten (10) Business Days) advise each Secured Party in sufficient detail of any substantial change relating to the type, quantity or quality of the Equipment or any event which would have a Material Adverse Effect on the value of the Equipment.

(g) Notices Regarding Changes in Inventory. The Company shall promptly (and in any event within ten (10) Business Days) advise each of the Secured Parties in sufficient detail of any material loss or damage to the Inventory or any event which would have a Material Adverse Effect on the value of the Inventory.

(h) Insurance. The Company agrees to maintain such insurance upon the Secured Property as is required by Section 6.2(b) of the Note Agreement. The Company shall deliver copies of the policies of such insurance to the Secured Parties with lender's loss payable endorsements naming the Secured Parties as loss payee to the extent of its interest and as such interest may appear. Each such policy of insurance or endorsement shall contain a clause requiring the insurer to give not less than thirty (30) days prior written notice to the Secured Parties in the event of cancellation of the policy for any reason whatsoever and a clause that the interest of the Secured Parties shall not be impaired or invalidated by any act or neglect of the Company. If the Company shall fail to provide and pay for such insurance, or have the same provided and paid for, the Secured Parties (or any one of them) may, at the sole expense of the Company, procure the same, but may not be required by the Company to do so. In the event of any damage or destruction to any Secured Property (whether individually or in the aggregate) resulting in a loss in excess of \$100,000, the Company shall give prompt written notice to the Secured Parties and shall promptly commence and diligently continue to completion the repair and restoration of the Secured Property so damaged or destroyed so as to reconstruct the Secured Property in a good and workmanlike manner and in full compliance with all legal requirements and the provisions of this Agreement and the other Financing Documents, free and clear from all Liens, other than (x) the Liens arising hereunder and under the other Security Documents and (y) the Liens permitted under Section 6.16 of the Note Agreement. The Company shall not adjust, compromise or settle any claim for insurance proceeds in excess of \$100,000 without the prior written consent of the Required Secured Parties. Subject to the terms of the Note Agreement and so long as no Event of Default shall exist, the Company may apply the proceeds of any insurance to the repair and restoration of such Collateral if (i) such loss or claim does not exceed \$100,000, (ii) the

Company continues to be the sole owner of the Collateral subject to the Liens arising hereunder and under the other Security Documents, (iii) the contemplated repair and restoration shall reconstruct the subject Collateral to substantially its previous condition within 12 months from the date of the damage or destruction to the Collateral, (iv) all sums necessary to effect the repair and restoration over and above any available insurance proceeds shall be at the sole cost and expenses of the Company, and (v) at all times during any repair and restoration the Company shall, at its sole cost and expense, maintain public liability insurance in amounts satisfactory to the Required Secured Parties and in accordance with the provisions of this Section 3.2(h). If any time the Required Secured Parties determine that the foregoing conditions have not been met or cannot be satisfied or the loss is in excess of \$100,000, then the Required Secured Parties may apply the proceeds of insurance to the prepayment of the Secured Obligations in such order of priority as the Required Secured Parties shall determine. Any insurance proceeds that are received at a time when an Event of Default shall exist may be applied by the Required Secured Parties to the repayment of the Secured Obligations in such order of priority as the Required Secured Parties shall determine. Notwithstanding the foregoing, any claim for insurance proceeds of less than \$10,000 may be paid by the insurer directly to the Company for use in the repair and restoration of the Collateral which was the subject of the loss.

(i) *Collection of Accounts, etc.* Anything herein to the contrary notwithstanding:

(i) the Company shall remain responsible and liable to perform all of its duties and obligations under or in respect of each of the Accounts;

(ii) until such time as an Event of Default has occurred and is continuing and the Required Secured Parties shall have informed the Company to the contrary, the Company shall remain obligated to collect, and account for all proceeds in respect of, the Accounts and shall do so diligently and in accordance with reasonable commercial procedures and practices for similarly situated corporations and shall be entitled to retain and use such proceeds, and, if an Event of Default shall exist and if so instructed by the Required Secured Parties, the Company shall deliver all such proceeds to the Secured Parties, or as directed by the Required Secured Parties, for application to the Secured Obligations; and

(iii) the execution and delivery of this Agreement, and the granting of the security interests in and to the Secured Property, shall not subject the Secured Parties or any holder of the Secured Obligations to, or transfer or pass to such Persons, or in any way affect or modify, the liability of the Company under any or all of their respective Accounts or any obligations of the Company in connection therewith, it being understood and agreed that notwithstanding this Agreement, and the granting of the security interests in and to the Secured Property, all of the obligations of the Company to each and every other party under each and every one of the Accounts shall be and remain enforceable by such other party, its successors and assigns, only against the Company, and the Secured Parties have not assumed any of the obligations or duties of the Company thereunder or in connection therewith.

(j) **Indemnification.** The Company hereby agrees to indemnify each Secured Party (its agent, attorneys and counsel), and hold such Persons harmless, from any and all liability, loss or damage which any such Person may or might incur by reason of any and all claims and demands whatsoever which may be asserted against any such Person arising out of, as a result of, or otherwise connected with, the security interests hereby granted to the Secured Parties by the Company under or in respect of any of the Secured Property by reason of

(i) the failure by the Company to perform any obligations or undertakings required to be performed by the Company, as the case may be, under or in connection with the Secured Property (including, without limitation, the failure of any warranty or representation (express or implied) in respect of the sale of any Inventory),

(ii) any failure by the Company, in connection with any of the Secured Property, to comply with any applicable federal, state or local law and the rules and regulations promulgated thereunder, and

(iii) any bodily injury, death or property damage occurring in connection with the sale, lease or use of the Secured Property.

The Company shall not be liable to any Person pursuant to this paragraph in respect of any liability, loss, damage, claim or demand that arises from such Person's gross negligence or willful misconduct.

(k) **Certain Rights of Secured Parties.**

(i) The Secured Parties shall not be obligated to, or be responsible for, the payment of any of the amounts or sums referred to in this Section 3.2 or the other performance of any of the undertakings of the Company hereunder. The Company hereby agrees and acknowledges that neither the acceptance of this Agreement by the Secured Parties nor the exercise of, or failure to exercise, any right, power or remedy in this Agreement conferred upon the Secured Parties shall be deemed or construed to obligate the Secured Parties to pay any sum of money, take any other action or incur any liability in connection with, or collect or realize upon, any of the Secured Property. It is further agreed and understood by the Company that the Secured Parties shall not be liable in any way for any cost, expense or liability connected with, or any charge or liability arising from, any of the Secured Property. All insurance expenses, all expenses of protecting, storing, warehousing, insuring, handling, maintaining and shipping the Secured Property, and any and all excise, property, sales, use and other taxes imposed by any state, federal or local authority on any of the Secured Property or in respect of the sale or other disposal thereof shall be borne and paid by the Company to the extent required by the Note Agreement.

(ii) If the Company shall fail to pay any of the aforesaid expenses and taxes, any Secured Party may, and at the Company's expense, pay the same, and any such payment shall be deemed an advance by such Secured Party to the Company payable on demand together with interest at the highest rate then payable on any of

the Secured Obligations. If the Company shall fail to perform any of its other undertakings or agreements or obligations under this Agreement, any Secured Party may (but shall not be required to), at the direction of the Required Secured Parties, itself perform, or cause performance of, such undertaking, agreement or obligation, and the reasonable expenses of such Secured Party incurred in connection therewith shall be payable by the Company on demand together with interest at the highest rate then payable on any of the Secured Obligations and shall otherwise be treated as a Secured Obligation hereunder.

(iii) If, by reason of any suit or proceeding of any kind, nature or description against the Company, or by the Company or any other party against any other Person, which in the Required Secured Parties' reasonable judgment makes it advisable for the Secured Parties to seek counsel for the protection and preservation of the Secured Property, or to defend their own interests, such reasonable out-of-pocket expenses and reasonable counsel fees shall be allowed to the Secured Parties and borne and paid by the Company.

Notwithstanding anything herein to the contrary, the Secured Parties shall have no responsibility for the validity, perfection, priority or enforceability of any Lien or security interest; and shall have no obligation to take any action to procure or maintain such validity, perfection, priority or enforceability.

(l) **No Liability for Safekeeping.** The Secured Parties shall not be liable or responsible in any way for the safekeeping of the Secured Property or for any loss or damage thereto or for any diminution in the value thereof, or any act or default of any warehouseman, carrier, forwarding agency or other Person, but the same shall be at the sole risk of the Company

(m) **No Violation of Law.** The Company shall not

(i) violate any law, ordinance or governmental rule or regulation (including, without limitation, any Environmental Protection Laws) to which it or the Secured Property is subject, nor

(ii) fail to obtain any license, permit, franchise or other governmental authorization necessary to the ownership of the Secured Property, the sale or lease of the Inventory, the collection of the Accounts, or the operation of the Equipment,

which violation or failure to obtain could reasonably be expected to have a Material Adverse Effect.

(n) **Further Assignments; Marking of Secured Property.** The Company shall deliver to the Secured Parties, at such times and in such form as may be reasonably designated by the Required Secured Parties from time to time, assignments, reports and schedules relating to the Secured Property. Upon written request by the Required Secured Parties, the Company

shall mark its Books and Records to reflect the security interests of the Secured Parties in the Secured Property.

(o) **Permits and Warranties.** To further protect the security afforded by this Agreement with respect to the Permits and Warranties, the Company agrees:

(i) to faithfully abide by, perform and discharge in all material respects each and every obligation, covenant, condition, duty and agreement which each or any of the Permits and Warranties provides are to be performed by the Company (except to the extent that such failure to abide by, perform and discharge would not have a Material Adverse Effect);

(ii) not to amend, assign, modify, cancel, surrender, otherwise change or terminate any of the Permits and Warranties, or waive any provision thereof, in any manner that would materially affect the security interest of the Secured Parties in such Permit and Warranty, without the written consent of the Required Secured Parties, except to the extent that such action would not have a Material Adverse Effect; and

(iii) to appear in and defend any action or proceeding to the extent deemed necessary in its reasonable business judgment arising under, growing out of or in any manner connected with the obligations, covenants, conditions, duties, agreements or liabilities of the Company under any of the Permits and Warranties, at the sole cost and expense of the Company.

4. DEFAULTS – REMEDIES

4.1 *Event of Default.*

An "Event of Default" shall exist hereunder if an "Event of Default" as defined in the Note Agreement occurs and is continuing.

4.2 *Default Remedies.*

(a) **General.** If an Event of Default exists, the Required Secured Parties may

(i) exercise all of the rights and remedies conferred in this Agreement, in the Note Agreement and in the other Financing Documents, and

(ii) exercise all of the rights and remedies of a secured party under the Code and all of the rights and remedies in this Agreement or otherwise available at law or in equity.

(b) Rights and Remedies

(i) Payments to Lockbox. If an Event of Default exists, the Required Secured Parties may require the Company to instruct the Account Debtors to make payment thereof directly to the Secured Parties or to a Person or lockbox so designated by the Required Secured Parties. If an Event of Default shall exist and the Company receives any cash, checks, drafts, money orders or other instruments in payment of any Accounts, it shall hold the same in trust for the Secured Parties and shall segregate the same and shall promptly deliver the same (in the identical form as received other than endorsement) to the Secured Parties or to such Person or lockbox as the Required Secured Parties may designate in writing.

(ii) Notification of Debtors. If an Event of Default shall exist, the Company authorizes the Required Secured Parties (but the Required Secured Parties shall not be obligated) to communicate with any Account Debtor or any other Person primarily or secondarily liable under an Account with regard to any delinquent payment or other payment status of such Account or any matter relating thereto or with regard to the verification that such Account Debtor did incur the obligations thereunder and the terms and provisions thereof. If an Event of Default exists, the Company agrees, upon the written request of the Required Secured Parties, to notify each Account Debtor in writing of the assignment to the Secured Parties of its respective Account, the Secured Parties' security interest therein and any other matter relating thereto. Notwithstanding the immediately preceding sentence, the Required Secured Parties shall, during the existence of any Event of Default, have the right, without first making a request of the Company, to notify each Account Debtor of the assignment to the Secured Parties of its respective Account, the Secured Parties' security interest therein and any other matter relating thereto.

(c) Collection. The Required Secured Parties may, at any time and from time to time during the existence of any Event of Default, demand, sue for, collect or receive any money or Property at any time payable or receivable on account of or in exchange for, or make any compromise or settlement reasonably deemed desirable by the Required Secured Parties with respect to, any Account, and/or extend the time of payment, arrange for payment in installments, or otherwise modify the terms of, or release, any Account or any collateral, guaranty or insurance therefor or in respect thereof, all without notice to or consent by the Company and without otherwise discharging or affecting the Secured Obligations, the other Secured Property or the security interest granted herein except to the extent of any funds collected. Without limiting any of the foregoing, the Company hereby authorizes the Required Secured Parties and any agent or designee thereof during the existence of any Event of Default to take any and all steps in the name of the Company, necessary or desirable, in the determination of the Required Secured Parties, to collect all amounts due under any and all Accounts, including, without limitation, endorsing the Company's name on checks and other instruments representing collections and/or proceeds of Accounts and enforcing such Accounts.

(d) **Possession of Secured Property; Entry of Premises.** If an Event of Default exists, the Required Secured Parties, or any agent or designee thereof, shall have the right, at any time or from time to time, to take immediate possession of any or all Secured Property that is tangible personal Property, and may require the Company to assemble such Secured Property, at the expense of the Company, and to make it available to the Secured Parties at a place to be designated by the Required Secured Parties that is reasonably convenient to both parties, and may enter any of the premises of the Company (or wherever such Secured Property shall be located) without force and with or without process of law, and keep and store the same on such premises until sold (and if such premises be the Property of the Company, the Company agrees not to charge the Secured Parties for storage thereof for a period of at least ninety (90) days after sale or disposition of such Secured Property).

(e) **Books and Records.** At the request of the Required Secured Parties at any time while an Event of Default exists, the Company shall assemble all of the Books and Records which evidence the Secured Property and make the same available to the Secured Parties or its designee at a place selected by the Required Secured Parties or their designee.

(f) **Sale of Secured Property; Commercial Reasonableness.** The Company and the Secured Parties agree that fifteen (15) days notice to the Company of any public or private sale or other disposition of the Secured Property shall be reasonable notice thereof, and such sale shall be at such location as the Required Secured Parties shall designate in such notice. Any other requirement of notice, demand or advertisement for sale is, to the extent permitted by law, waived by the Company. Sales for cash, or on credit to a wholesaler, retailer or user of the Secured Property, at any public or private sale are all hereby deemed (without limitation) to be commercially reasonable (as defined in the Uniform Commercial Code as in effect in any applicable jurisdiction). The Secured Property may be sold at any private or public sale in one or more lots.

(g) **Certain Offset Rights in Respect of Secured Property.** If an Event of Default exists, the Secured Parties may also, with or without proceeding with sale or foreclosure or demanding payment of the Secured Obligations, without notice, appropriate and apply to the payment of the Secured Obligations and the other obligations secured under this Agreement any and all Secured Property in its possession (including, without limitation, any and all balances, credits, deposits, accounts, reserves, or other moneys due or owing to the Company held by the Secured Parties hereunder or otherwise).

(h) **Undertakings Cumulative.** All covenants, conditions, provisions, warranties, guaranties, indemnities and other undertakings of the Company contained in this Agreement or any other Financing Document, or in any document referred to in this Agreement or any other Financing Document or contained in any agreement supplementary to this Agreement or any other Financing Document, shall be deemed cumulative to and not in derogation or substitution of any of the terms, covenants, conditions or agreements of the Company contained in this Agreement or any other Financing Document.

(i) **Payment of Expenses and Charges.** The Company shall be obligated to pay to the Secured Parties all reasonable out-of-pocket expenses (including court costs and

reasonable attorneys' fees and expenses) of, or incident to, the enforcement of any of the provisions of this Agreement and all other charges due against the Secured Property, including, without limitation, taxes, assessments or Liens or charges upon the Secured Property and any expenses, including transfer or other taxes, arising in connection with any sale, transfer or other disposition of Secured Property.

4.3 Other Enforcement Rights.

The Required Secured Parties may proceed to protect and enforce this Agreement by suit or suits or proceedings in equity, at law or in bankruptcy, and whether for the specific performance of any covenant or agreement in this Agreement contained or in execution or aid of any power in this Agreement granted, or for foreclosure under this Agreement, or for the appointment of a receiver or receivers for the Secured Property or any part thereof, for the recovery of judgment for the obligations secured by this Agreement or for the enforcement of any other proper, legal or equitable remedy available under applicable law.

4.4 Power of Attorney.

The Company hereby makes, constitutes and appoints each Secured Party the true and lawful agent and attorney in fact of the Company with full power of substitution:

(a) if an Event of Default shall exist, to receive, open and dispose of all mail addressed to the Company and remove therefrom any notes, checks, drafts, money orders or other instruments included in the Secured Property, with full power to endorse the name of the Company upon any such checks, drafts, money orders, or other instruments relating to the Secured Property and to effect the deposit and collection thereof, and the further right and power to endorse the name of the Company on any other document relating to the Secured Property;

(b) if an Event of Default exists, to sign the name of the Company to drafts against its debtors, to notices to such debtors, to assignments and notices of assignments, financing statements, continuation statements or other public records or notices and all other instruments and documents; and

(c) if an Event of Default exists, to do any and all things necessary to enforce compliance and to carry out the provisions of this Agreement.

The Company agrees, in the absence of willful misconduct or gross negligence, that neither the Secured Parties nor any of their respective agents, designees or attorneys-in-fact will be liable for any acts of commission or omission, or for any error of judgment or mistake of fact or law with respect to the exercise of the power of attorney granted under this Section 4.2. The power of attorney granted under this Section 4.2 is coupled with an interest and shall be irrevocable so long as any Secured Obligation remains outstanding.

4.5 *Effect of Sale, etc.*

(a) *Title.* Any sale or sales pursuant to the provisions of this Agreement, whether under any right or power granted hereby or pursuant to any legal proceedings, shall operate to divest the Company of all of the Company's right, title, interest, claim and demand whatsoever, either at law or in equity, of, in and to the Secured Property, or any part thereof, so sold, and any Property so sold shall be free and clear of any and all rights of redemption by, through or under the Company. At any such sale any holder of Secured Obligations may, to the extent permitted by applicable law, bid for and purchase the Property sold, and any such Person so purchasing any such Property, upon compliance with the terms of sale, may hold, retain and dispose of such Property without further accountability.

(b) *Application of Proceeds.* The receipt by the Secured Parties, or by any Person authorized under any judicial proceedings to make any such sale, of the proceeds of any such sale shall be a sufficient discharge to any purchaser of the Secured Property, or of any part thereof, sold as aforesaid; and no such purchaser shall be bound to see to the application of such proceeds, or be bound to inquire as to the authorization, necessity or propriety of any such sale.

4.6 *Delay or Omission, No Waiver.*

No course of dealing on the part of the Secured Parties nor any delay or failure on the part of the Secured Parties to exercise any right shall impair such right or operate as a waiver of such right or otherwise prejudice the Secured Parties' rights, powers and remedies. No waiver by the Secured Parties of any Default or Event of Default, whether such waiver be full or partial, shall extend to or be taken to affect any subsequent Default or Event of Default, or to impair the rights resulting therefrom except as may be otherwise expressly provided in this Agreement. Every right and remedy given by this Agreement, by any other Financing Document or by law to the Secured Parties may be exercised from time to time as often as may be deemed expedient by such Person.

4.7 *Restoration of Rights and Remedies.*

If the Secured Parties shall have instituted any proceeding to enforce any right or remedy under this Agreement or under any other Financing Document and such proceeding shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Secured Parties, then and in every such case the Secured Parties and the Company shall, subject to any determination in such proceeding, be restored severally and respectively to their former positions under this Agreement and under the other Financing Documents, and thereafter all rights and remedies of the Secured Parties shall continue as though no such proceeding had been instituted.

4.8 *Application of Proceeds.*

The proceeds of any exercise of rights with respect to the Secured Property, or any part thereof, and the proceeds and the avails of any remedy under this Agreement shall be paid to the Secured Parties and applied by the Secured Parties in accordance with the provisions of the Note Agreement. If there is a deficiency, the Company shall remain liable therefor and shall forthwith pay

the amount of any such deficiency to the Secured Parties.

4.9 Cumulative Remedies.

No remedy under this Agreement or under any other Financing Document is intended to be exclusive of any other remedy, but each and every remedy shall be cumulative and in addition to any and every other remedy given under this Agreement or under any other Financing Document or otherwise existing; nor shall the giving, taking or enforcement of any other or additional security, collateral or guaranty for the payment or performance of the Secured Obligations operate to prejudice, waive or affect the security of this Agreement or any rights, powers or remedies under this Agreement, nor shall the Secured Parties be required to look first to, enforce or exhaust any such other or additional security, collateral or guaranties.

4.10 Waivers by the Company.

(a) The Company, to the extent permitted by applicable law, hereby waives notice of acceptance of this Agreement. The Company further waives presentment and demand for payment of any of the Secured Obligations, protest and notice of dishonor or default with respect to any of the Secured Obligations, and all other notices to which the Company might otherwise be entitled other than those provided for in this Agreement or any other Financing Document.

(b) The Company (to the extent that it may lawfully do so) covenants that it shall not at any time insist upon or plead, or in any manner claim or take the benefit or advance of, any stay (except in connection with a pending appeal), valuation, appraisal, redemption or extension law now or at any time hereafter in force that, but for this waiver, might be applicable to any sale made under any judgment, order or decree based on this Agreement or any other Financing Document; and the Company (to the extent that it may lawfully do so) hereby expressly waives and relinquishes all benefit and advance of any and all such laws and hereby covenants that it will not hinder, delay or impede the execution of any power in this Agreement or therein granted and delegated to the Secured Parties, but that it will suffer and permit the execution of every such power as though no such law or laws had been made or enacted.

4.11 Consent.

The Company hereby consents that from time to time (before or after the occurrence or existence of any Event of Default, with or without notice to or assent from the Company)

(a) any Secured Property or other security at any time held by or available to the Secured Parties for any of the Secured Obligations, or any other security at any time held by or available to the Secured Parties any obligation of any other Person secondarily or otherwise liable for any of the Secured Obligations, may be exchanged with the Person providing such Secured Property or other security, surrendered or released, and

(b) any of the Secured Obligations may be continued, surrendered, compromised, waived or released, in whole or in part,

in each case as the Required Secured Parties may see fit, and the Company shall remain bound under this Agreement notwithstanding any such exchange, surrender, release, continuance, compromise, waiver or release.

5. MISCELLANEOUS

5.1 *Communications.*

All communications under this Agreement shall be in writing and shall be made to the Secured Parties and the Company by overnight courier to their respective offices set out in Annex 1.

5.2 *Waiver and Amendment.*

No provision of this Agreement shall be waived, amended, modified or supplemented except by a written instrument executed by the Company and the Required Secured Parties.

5.3 *Survival.*

All warranties, representations, certifications and covenants made by the Company in this Agreement and in the other Financing Documents or in any certificate or other document or instrument delivered by it or on behalf of it under this Agreement or any other Financing Document shall be considered to have been relied upon by the Secured Parties and shall survive the delivery to each holder of Secured Obligations of any instrument or other document evidencing the same regardless of any investigation made by the Secured Parties. All statements in any such certificate or other instrument shall constitute warranties and representations by the Company under this Agreement. This Agreement shall be binding upon the Company and inure to the benefit of and be enforceable by the Secured Parties.

5.4 *Successors and Assigns.*

Whenever any of the parties to this Agreement is referred to, such reference shall be deemed to include the successors and assigns of such party, and all the covenants, promises and agreements in this Agreement contained by or on behalf of the Company, or by or on behalf of the Secured Parties, shall bind and inure to the benefit of the respective successors and assigns of such parties whether so expressed or not.

5.5 *Term of Agreement.*

This Agreement shall be and remain in full force and effect until terminated in accordance with the Note Agreement; *provided* that all indemnities of the Company contained in this Agreement shall survive, and remain operative and in full force and effect regardless of, the termination of this Agreement.

5.6 *Entire Agreement.*

This Agreement constitutes the final written expression of all of the terms hereof and is a complete and exclusive statement of those terms.

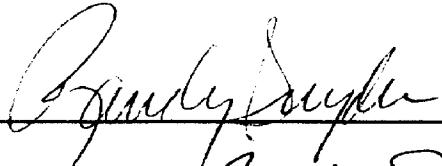
5.7 *Execution in Counterpart.*

This Agreement may be executed in one or more counterparts and shall be effective when at least one counterpart shall have been executed by each party to this Agreement, and each set of counterparts which, collectively, show execution by each party to this Agreement shall constitute one duplicate original.


[Remainder of page blank. Next page is signature page.]

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed by an authorized officer, and each of MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY, MASSMUTUAL PARTICIPATION INVESTORS, MASSMUTUAL CORPORATE INVESTORS and MASSMUTUAL CORPORATE VALUE PARTNERS LIMITED, as a Secured Party, has caused this Agreement to be executed by an authorized officer, all as of the day and year first above written.


NPC, INC.

By 
Name: Randy Snyder
Title: President

MASSACHUSETTS MUTUAL LIFE
INSURANCE COMPANY

RB By 
Name: Michael P. Hermsen
Title: Managing Director

MASSMUTUAL PARTICIPATION
INVESTORS

RB By 
Name: MICHAEL P. HERMSEN
Title: VICE PRESIDENT

The foregoing is executed on behalf of MassMutual Participation Investors, organized under a Declaration of Trust, dated April 7, 1983, as amended from time to time. The obligations of such Trust are not personally binding upon, nor shall resort be had to the property of, any of the Trustees, shareholders, officers, employees or agents of such Trust, but the Trust's property only shall be bound.

SECURITY AGREEMENT

MASSMUTUAL CORPORATE INVESTORS

EB By Michael P. Hermsen

Name: MICHAEL P. HERMSEN
Title: VICE PRESIDENT

The foregoing is executed on behalf of MassMutual Corporate Investors, organized under a Declaration of Trust, dated September 13, 1985, as amended from time to time. The obligations of such Trust are not personally binding upon, nor shall resort be had to the property of, any of the Trustees, shareholders, officers, employees or agents of such Trust, but the Trust's property only shall be bound.

MASSMUTUAL CORPORATE VALUE
PARTNERS LIMITED,
By Massachusetts Mutual Life
Insurance Company
its Investment Manager

EP By Michael P. Hermsen

Name: Michael P. Hermsen
Title: Managing Director

SECURITY AGREEMENT

Annex 1

I. *Principal Executive Office of the Company; Location of Books and Records*

NPC, Inc.
250 Elm Street
P.O. Box 301
Milford, NH 03055

II. *Mailing Address of Secured Parties*

To the address of each Secured Parties as provided on Annex 1 to the Note Agreement

BOURQUE LAW OFFICES, P.A.

CLIENT TRADEMARK REPORT

Confidential Information Prepared For
NPC, Inc.

07-Jun-99

835 Hanover Street, Suite 303
Manchester, NH 03104
Telephone: (603) 623-5111

07-Jun-99

Client Information For NPC

Trademarks

Docket Name:
NPC-T002JP

Mark:
NPC And Design

Filing Date:	Serial Number:	Status:	Registration No:	Issue Date:
May 18, 1998	10-41393	Pending	**	**

Docket Name:
NPC-T002XX

Mark:
NPC And Design

Filing Date:	Serial Number:	Status:	Registration No:	Issue Date:
November 17, 1997	75/391,633	Issued	2,231,857	March 16, 1999

Docket Name:
NPC-T003XX

Mark:
KOR-N-SEAL And Design

Filing Date:	Serial Number:	Status:	Registration No:	Issue Date:
February 14, 1996	75/057,688	Acceptance	2,080,955	July 22, 1997

Docket Name:
NPC-T004XX

Mark:
"NPC"

Filing Date:	Serial Number:	Status:	Registration No:	Issue Date:
May 8, 1992	74/274,078	Registered	1,749,841	February 2, 1993

Docket Name:
NPC-T005XX

Mark:
KOR-N-TEE

Filing Date:	Serial Number:	Status:	Registration No:	Issue Date:
Jan. 12, 1987	73/639,142	Registered	1,481,617	March 22, 1988

Docket Name:
NPC-T006XX

Mark:
HYDROKOR

Filing Date:	Serial Number:	Status:	Registration No:	Issue Date:
Aug. 3, 1976	73/074,743	Registered	1,045,309	August 3, 1996

Docket Name:
NPC-T007XX

Mark:
KOR-N-SEAL And Design

Filing Date:	Serial Number:	Status:	Registration No:	Issue Date:
**	**	Abandoned	1,051,866	Nov. 2, 1976

CLIENT PATENT REPORT

Confidential Information Prepared For
NPC, Inc.

07-Jun-99

**835 Hanover Street, Suite 303
Manchester, NH 03104
Telephone: (603) 623-5111**

Docket Name:
NPC-002EPO

Title:
UNIVERSAL SADDLE TEE

Filing Date:	Serial Number:	Status:	Patent No:	Issue Date:
August 3, 1992	92307071.8	Abandoned	**	**

Docket Name:
NPC-002PCT

Title:
GRINDING APPARATUS AND METHOD WHICH SUPPORTS A WORKPIECE SURFACE

Filing Date:	Serial Number:	Status:	Patent No:	Issue Date:
Dec. 15, 1995	PCT/US95/16422	Abandoned		

Docket Name:
NPC-002XX

Title:
GRINDING APPARATUS AND METHOD WHICH SUPPORTS A WORKPIECE ON THE SURFACE
BEING GROUND

Filing Date:	Serial Number:	Status:	Patent No:	Issue Date:
February 17, 1995	08/393,155	Issued	5,595,524	January 21, 1997

Docket Name:
NPC-004PCT

Title:
EXPANDABLE BAND AND LOCKING MECHANISM FOR INSTALLING A FLEXIBLE SEALING
ELEMENT

Filing Date:	Serial Number:	Status:	Patent No:	Issue Date:
Feb. 23, 1996	PCT/US97/02845	Abandoned	**	**

Docket Name:
NPC-004PR

Title:
EXPANDING INTERNAL BAND FOR INSTALLING A FLEXIBLE SEALING ELEMENT INTO A HOLE

Filing Date:	Serial Number:	Status:	Patent No:	Issue Date:
Feb. 23, 1996	60/012,155	Full Pat. to 004XX		

Docket Name:
NPC-004XX

Title:
EXPANDABLE BAND AND LOCKING MECHANISM FOR INSTALLING A FLEXIBLE SEALING ELEMENT

Filing Date:	Serial Number:	Status:	Patent No:	Issue Date:
February 14, 1997	08/801,945	Pending	5,738,359	April 14, 1998

Docket Name:
NPC-005XX

Title:
EXPANDABLE BAND AND LOCKING MECHANISM

Filing Date:	Serial Number:	Status:	Patent No:	Issue Date:
July 9, 1998	09/112,184	Pending	**	**

Docket Name:
NPC-006XX

Title:
REMOVABLE WEDGE - SHAPED EXPANSION TOOL

Filing Date:	Serial Number:	Status:	Patent No:	Issue Date:
**	**	Abandoned	**	**

Docket Name:

NPC-007PR

Title:

CORE DRILL QUICK-CHANGE ADAPTER SYSTEM

Filing Date:	Serial Number:	Status:	Patent No:	Issue Date:
February 19, 1999	60/120,986	Pending	**	**

Docket Name:

NPC-37

Title:

CUTTING APPARATUS AND METHOD

Filing Date:	Serial Number:	Status:	Patent No:	Issue Date:
July 13, 1981	283,110	Issued	4,430,912	February 14, 1984

Docket Name:

NPC-42

Title:

SPIGOT GRINDER AND GROOVER

Filing Date:	Serial Number:	Status:	Patent No:	Issue Date:
April 30, 1984	605,463	Abandoned	4,596,090	June 24, 1986

Docket Name:

NPC-43

Title:

MECHANICAL CUTTING APPARATUS AND METHOD

Filing Date:	Serial Number:	Status:	Patent No:	Issue Date:
August 29, 1985	770,739	Abandoned Box 32	4,612,730	September 23, 1986

Docket Name:

NPC-50

Title:

BAND FOR EFFECTING A SEAL

Filing Date:

April 23, 1990

Serial Number:

07/513,216

Status:

Issued

Patent No:

5,029,907

Issue Date:July 9, 1991

Docket Name:

NPC-52

Title:

APPARATUS AND METHOD FOR IMPROVED PIPE TO MANHOLE SEALING

Filing Date:

Sept. 21, 1989

Serial Number:

07/410,585

Status:

Issued

Patent No:

4,993,722

Issue Date:February 19, 1991

Docket Name:

NPC-52BE

Title:

APPARATUS AND METHOD FOR IMPROVED PIPE TO MANHOLE SEALING (Belgium)

Filing Date:

July 12, 1989

Serial Number:

89312774.6

Status:

Abandoned

Patent No:

EP-BE 0372963

Issue Date:August 6, 1994

Docket Name:

NPC-52FR

Title:

IMPROVED PIPE TO MANHOLE SEALING (France)

Filing Date:

July 12, 1989

Serial Number:

89312774.6

Status:

Abandoned

Patent No:

EP-FR 0372963

Issue Date:August 6, 1994

Docket Name:
NPC-52GR

Title:
IMPROVED PIPE TO MANHOLE SEALING (Germany)

Filing Date:	Serial Number:	Status:	Patent No:	Issue Date:
July 12, 1989	89312774.6	Abandoned Box 32	EP-GR 0372936	August 6, 1994

Docket Name:
NPC-52NL

Title:
IMPROVED PIPE TO MANHOLE SEALING (Netherlands)

Filing Date:	Serial Number:	Status:	Patent No:	Issue Date:
July 12, 1989	89312774.6	Abandoned Box 32	EP-NL 0372963	August 6, 1994

Docket Name:
NPC-52UK

Title:
IMPROVED PIPE TO MANHOLE SEALING (United Kingdom)

Filing Date:	Serial Number:	Status:	Patent No:	Issue Date:
July 12, 1989	89312774.6	Abandoned Box 32	EP-UK 0372963	August 6, 1994

Docket Name:
NPC-54CIP

Title:
IMPROVED BAND WITH SLOTTED WEDGE CAMS

Filing Date:	Serial Number:	Status:	Patent No:	Issue Date:
Jan. 22, 1993	08/007,202	Issued	5,431,459	July 11, 1995

Docket Name:

NPC-55

Title:

UNIVERSAL SADDLE TEE FOR PIPES

Filing Date:	Serial Number:	Status:	Patent No:	Issue Date:
August 7, 1991	07/741,751	Abandoned	5,360,241	November 1, 1994

Docket Name:

NPC-55CIP

Title:

UNIVERSAL SADDLE TEE FOR PIPES

Filing Date:	Serial Number:	Status:	Patent No:	Issue Date:
Sept. 16, 1993	07/122,737	Abandoned	5,360,241	November 1, 1994

Docket Name:

NPC-94004

Title:

CLOSED CLAMP HOUSING Patent Search

Filing Date:	Serial Number:	Status:	Patent No:	Issue Date:
**	**	To File New Desig	**	**

Docket Name:

NP-54A

Title:

IMPROVED BAND WITH SLOTTED WEDGE CAMS (Canada)

Filing Date:	Serial Number:	Status:	Patent No:	Issue Date:
Oct. 8, 1991	2052984	App. Reinstated		**

Docket Name:

NP-54C

Title:

IMPROVED BAND WITH SLOTTED WEDGE CAMS (Japan)

Filing Date:	Serial Number:	Status:	Patent No:	Issue Date:
Nov. 6, 1991	3-289651	Abandoned	**	**

Docket Name:

NP-54D

Title:

BAND WITH SLOTTED WEDGE CAMS (Australia)

Filing Date:	Serial Number:	Status:	Patent No:	Issue Date:
Feb 8, 1991	10849/92	Abandoned	646,142	February 10, 1992

Docket Name:

NP-54EU

Title:

IMPROVED BAND WITH SLOTTED WEDGE CAMS (Germany)

Filing Date:	Serial Number:	Status:	Patent No:	Issue Date:
Nov. 12, 1988	69121548	Abandoned	EP 0498110B	November 30, 1990

Docket Name:

NP-55A

Title:

UNIVERSAL SADDLE TEE FOR PIPES (Canada)

Filing Date:

July 15, 1992

Serial Number:

2073940

Status:

Abandoned

Patent No:

Issue Date:

**

Docket Name:

NP-55C

Title:

UNIVERSAL SADDLE TEE FOR PIPES (Japan)

Filing Date:

August 7, 1992

Serial Number:

4-211752

Status:

Published

Patent No:

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Issue Date:

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