

2/17/04

02-19-2004

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

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

1. Name of conveying party(ies):

Please see the Attached Exhibit A.

- Individual(s)
- General Partnership
- Corporation-State
- Other indicated on the attached.
- Association
- Limited Partnership

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

3. Nature of conveyance:

- Assignment
- Security Agreement
- Other Second Lien Security Agreement
- Merger
- Change of Name

Execution Date: 02/09/2004

2. Name and address of receiving party(ies)

Name: Credit Agricole Indosuez, as Collateral Agent

Internal

Address:

Street Address: 666 Third Avenue

City: New York State: NY Zip: 10017

- Individual(s) citizenship
- Association
- General Partnership
- Limited Partnership
- Corporation-State
- Other Bank

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

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

A. Trademark Application No.(s) _____

Please see the attached Exhibit B.

B. Trademark Registration No.(s) _____

Please see the attached Exhibit B.

Additional number(s) attached Yes No

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

Name: Jonathan Zepp

Internal Address: Latham & Watkins LLP

Street Address: 885 Third Avenue

City: New York State: NY Zip: 10022

6. Total number of applications and registrations involved:

74

7. Total fee (37 CFR 3.41).....\$ 1,865

- Enclosed
- Authorized to be charged to deposit account

8. Deposit account number:

DO NOT USE THIS SPACE

9. Signature.

Jonathan Zepp
Name of Person Signing

Jonathan Zepp
Signature

2/17/04
Date

Total number of pages including cover sheet, attachments, and document: 133

Mail documents to be recorded with required cover sheet information to:
Commissioner of Patent & Trademarks, Box Assignments
Washington, D.C. 20231

02/17/2004 10:00:00 00000083 12315 35
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02 FEBRU 04 1925.00 DE

TRADEMARK
REEL: 002915 FRAME: 0720

EXHIBIT A

NAMES OF CONVEYING PARTIES

Name of Conveying Party	Type of Organization and Jurisdiction of Organization	Address
Jason Incorporated	Corporation - Wisconsin	411 East Wisconsin Avenue Suite 2120 Milwaukee, WI 53202
Jason Ohio Corporation	Corporation - Ohio	7020 Vine Street Cincinnati, Ohio 45216
Jason Nevada, Inc.	Corporation - Nevada	3993 Howard Hughes Parkway Suite 100 Las Vegas, Nevada 89109
Braden Nevada, Inc.	Corporation - Nevada	3993 Howard Hughes Parkway Suite 100 Las Vegas, Nevada 89109
JacksonLea Holdings, Inc. (f/k/a Deltak Nevada, Inc.)	Corporation - Nevada	3993 Howard Hughes Parkway Suite 100 Las Vegas, Nevada 89109
Advance Wire Products, Inc.	Corporation - Illinois	201 Swift Road Addison, Illinois 60101-1495
Assembled Products, Inc.	Corporation - Illinois	301 Hastings Drive Buffalo Grove, Illinois 60089
Metalex Corporation	Corporation - Illinois	1530 Artaius Parkway Libertyville, Illinois 60048
Jason International Holdings, Inc.	Corporation - Nevada	3993 Howard Hughes Parkway Suite 100 Las Vegas, Nevada 89109

Exhibit B**Trademarks:**

<u>MARK</u>	<u>REG. NUMBER</u>	<u>REG. DATE</u>
A	1231635	3/22/83
ACME	0285490	7/28/31
AD-LEA-SIVE	0411018	1/2/45
ARTAB	0408273	8/1/44
CALIFORNIA BUFF COMPANY	1626565	12/11/90
CAM RUNNER	2354626	6/6/00
CAM RUNNER	2354626	6/6/00
CHURCHILL	2353870	5/30/00
DESIGN ONLY	0571005	2/24/53
DESIGN ONLY	0542771	5/22/51
DIXO	1824899	3/8/94
ECONOSORB	1850483	8/23/94
ENDURION	0613728	10/11/55
EVERYBODY LOVES OSBORN BRUSHES	1399196	7/1/86
FASTHITCH	2285957	2/19/97
FIBERFOAM	2060231	5/13/97
GRIPMASTER	0410507	11/28/44
IMPERIAL	0869294	5/13/69
INSERTUF	0704279	9/13/60
JACKSONLEA	1760887	3/30/93
JACKSONLEA	1763910	4/18/00
LEA ANTISTAT	0818952	11/22/66
LEA LUBEWAX	0832391	7/25/67
LEA LUXEMATIC	0839808	12/5/67
LEABRITE	2205308	11/24/98
LEAROK	0304157	6/20/33

<u>MARK</u>	<u>REG. NUMBER</u>	<u>REG. DATE</u>
LIQUABRADE	0556217	3/18/52
LIQUA-SHEEN	1055844	1/11/77
LOAD RUNNERS	0973349	11/20/73
MAGNAFLEX	2572176	5/21/02
MARABOND	1048153	9/14/76
MARATEX	1041359	6/15/76
MILSCO	1145461	1/6/81
MILSCO	0682467	7/28/59
MILSCO	2697697	3/18/03
MONITOR	0417157	10/16/45
MULTIMODULAR	1325809	3/19/85
NOVOFIL	1671777	1/14/92
ORBIT	1854036	9/13/94
OSBORN	0135954	10/26/20
OSBORN	0569356	1/20/53
OSBORN	0127357	11/11/19
OSBORN	0991827	8/27/74
OSBORN	0987058	6/25/74
OSBORN	0988709	7/23/74
OSBORN	0992346	9/3/74
OSBORN	0987773	7/9/74
OSBORN	0779410	11/3/64
OSBORN	0745621	2/26/63
PLASTIGLUE	2208526	12/8/98
POWER TUBE	1414988	10/28/96
PROFILE	1492289	6/14/88
QUADY	0691623	1/19/60
RAM-JOLT	0781733	12/15/64
RD	0985758	6/11/74

<u>MARK</u>	<u>REG. NUMBER</u>	<u>REG. DATE</u>
RIEHL	0704587	9/20/60
SCUF-GARD	0711654	2/21/61
SEALEZE	2401489	11/7/00
SIBOT	0704278	9/13/60
SITUFT	0417141	10/16/45
SLAG-BUSTER	1271541	3/27/84
SOFTOOL	1793403	9/21/93
SPEEDIE	1255712	11/1/83
SPRAY-IT	1303353	11/6/84
STRAT-O-SHEEN	1039967	5/25/76
SYNTEX	2536226	2/15/02
SYNTEX PLUS	2536229	2/5/02
TRUSPEC	1420114	12/9/86
ULTRA-GRIT	1570671	12/12/89
ULTRA-TECH	2205307	11/24/98
UNI-LOK	1412046	10/7/86
UNI-MASTER	0773602	7/21/64

Trademark Applications:

<u>MARK</u>	<u>APP. NUMBER</u>	<u>APP. DATE</u>
DYNAFLEX	76/483306	1/21/03
LEAROCK	76/539467	8/11/03

SECURITY AGREEMENT

By

JASON INCORPORATED,

as Issuer

and

THE SUBSIDIARY GUARANTORS PARTY HERETO

and

CREDIT AGRICOLE INDOSUEZ,
as Collateral Agent

Dated as of February 9, 2004

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SIGNATURES

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SECURITY AGREEMENT

SECURITY AGREEMENT (the "Agreement"), dated as of February __, 2004 made by, JASON INCORPORATED, a Wisconsin corporation having an office at 411 East Wisconsin Avenue, Suite 2120, Milwaukee, Wisconsin 53202 (the "Issuer"), and EACH OF THE SUBSIDIARY GUARANTORS LISTED ON THE SIGNATURE PAGES HERETO OR FROM TIME TO TIME PARTY HERETO BY EXECUTION OF A JOINDER AGREEMENT (collectively, the "Subsidiary Guarantors"), as pledgors, assignors and debtors (the Issuer, together with the Subsidiary Guarantors, in such capacities and together with any successors in such capacities, the "Pledgors," and each, a "Pledgor"), in favor of CREDIT AGRICOLE INDOSUEZ having an office at 666 Third Avenue, New York, New York 10017 in its capacity as collateral agent for each holder (the "Holders") of the Issuer's Second Priority Senior Secured Notes (the "Notes") from time to time issued and sold pursuant to the Note Purchase Agreement (as hereinafter defined), as pledgee, assignee and secured party (in such capacities and together with any successors in such capacities, the "Collateral Agent").

R E C I T A L S:

A. Pursuant to that certain Note Purchase Agreement, dated as of February 9, 2004, (as amended, amended and restated, supplemented or otherwise modified from time to time, the "Note Purchase Agreement"; capitalized terms used but not defined herein have the meaning given in the Note Purchase Agreement), among Jason Holdings, Inc. I, a Delaware corporation ("Holdings"), the Issuer, the Collateral Agent, and the purchasers named therein (the "Purchasers"), the Purchasers have agreed to purchase Notes from the Issuer.

B. The Issuer owns, directly or through its Subsidiaries (as hereinafter defined), all of the issued and outstanding shares of each of the Subsidiary Guarantors.

C. Each Subsidiary Guarantor has, pursuant to a certain guarantee, among other things, guaranteed (the "Subsidiary Guarantee") the obligations of the Issuer under the Notes, the Note Purchase Agreement and the other Note Documents (as hereinafter defined).

D. Each Subsidiary Guarantor received substantial benefits from the execution, delivery and performance of the Note Documents, and each is, therefore, willing to enter into this Agreement.

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

F. This Agreement is given by each Pledgor in favor of the Collateral Agent for its benefit and the benefit of each Holder of a Note or Secured Obligation (collectively, the "Secured Parties") to secure the payment and performance of all of the Secured Obligations (as hereinafter defined).

AGREEMENT:

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

ARTICLE I. DEFINITIONS AND INTERPRETATION

SECTION 1.1 Definitions.

(a) Unless otherwise defined herein, terms used herein that are defined in the UCC shall have the meanings assigned to them in the UCC.

(b) Capitalized terms used but not otherwise defined herein, including pursuant to clause (a) above, shall have the meanings assigned to such terms in the Note Purchase Agreement. The following terms used in this Agreement shall have the following meanings:

“Accounts” shall mean, with respect to each Pledgor, collectively, (i) all “accounts,” as such term is defined in Section 9-102(a)(2) of the UCC and (ii) all (A) margin accounts, futures positions, book debts and other forms of obligations (other than forms of obligations evidenced by Chattel Paper, Documents or Instruments) and receivables now or hereafter owned or held by or payable to such Pledgor relating in any way to or arising from the sale or lease of goods or the rendering of services by such Pledgor or any other party, including the right to payment of any interest or finance charge with respect thereto, together with all merchandise represented by any of the accounts, (B) all of such Pledgor’s rights as an unpaid vendor, including stoppage in transit, reclamation, replevin and sequestration, (C) all assets pledged, assigned, hypothecated or granted to, and all letters of credit, guarantee claims, Liens and security interests held by Pledgor to secure payment of any accounts and which are delivered for or on behalf of any account debtor, (D) all accessions to all of the foregoing described properties and interests in properties, (E) all powers of attorney for the execution of any evidence of indebtedness or security or other writing in connection with the foregoing and (F) all evidence of the filing of financing statements and other statements and the registration of other instruments in connection therewith and amendments thereto, notices to other creditors or secured parties and certificates from filing or other registration offices.

“Additional Pledged Interests” shall mean, collectively, with respect to each Pledgor, all options, warrants, rights, agreements, additional membership or partnership interests or other interests of whatever class of any issuer of Initial Pledged Interests or any interest in any such issuer, including, all rights, privileges, authority and powers of such Pledgor relating to the equity or membership or partnership interests in any such issuer under the Operative Agreement of such issuer, from time to time acquired by such Pledgor in any manner including, each limited liability company or partnership hereafter acquired or formed by such Pledgor, which, to the extent permitted under the laws of the jurisdiction of organization of such membership or partnership, are and shall remain at all times until this Agreement terminates, certificated

interests explicitly made a “security” subject to the provisions of Article 8 of the UCC, and the certificates, instruments and agreements representing such additional interests and any and all interest of such Pledgor in the entries on the books of any financial intermediary pertaining to such additional interests.

“Additional Pledged Shares” shall mean, collectively, with respect to each Pledgor, all options, warrants, rights, agreements, additional shares of capital stock of whatever class of any issuer of the Initial Pledged Shares or any interest in any such issuer including, all rights, privileges, authority and powers of such Pledgor relating to the additional shares issued by any such issuer under the Operative Agreement of such issuer, from time to time acquired by such Pledgor in any manner including, each corporation hereafter acquired or formed by such Pledgor (which, to the extent permitted under the laws of the jurisdiction or organization of such issuer, are and shall remain at all times until this Agreement terminates, certificated shares), including the certificates representing such additional shares and any and all interest of such Pledgor in the entries on the books of any financial intermediary pertaining to such additional shares.

“Affiliate” shall have the meaning assigned to such term in the Note Purchase Agreement.

“Agreement” shall mean this Agreement, as amended, amended and restated, supplemented or otherwise modified from time to time in accordance with the provisions hereof.

“Business Day” shall have the meaning assigned to such term in the Note Purchase Agreement.

“Capitalized Lease Obligations” shall have the meaning assigned to such term in the Note Purchase Agreement.

“Cash Equivalents” shall have the meaning assigned to such term in the Note Purchase Agreement.

“Charges” shall mean any and all property and other taxes, assessments and special assessments, levies, fees and all governmental charges imposed upon or assessed against, and all claims (including claims for labor, materials, supplies and warehousing and other claims arising by operation of law) against, all or any portion of the Pledged Collateral.

“Chattel Paper” shall mean, collectively, with respect to each Pledgor, all “chattel paper,” as such term is defined in Section 9-102(a)(11) of the UCC.

“Collateral” shall have the meaning assigned to such term in Section 12.20(i).

“Collateral Account” shall mean a collateral account or sub-account established and maintained by the Collateral Agent (or a Holder that agrees to be a collateral sub agent for the Collateral Agent) in its name as Collateral Agent for the Secured Parties in accordance with the provisions of Section 8.2 and all funds from time to time on deposit in the Collateral Account including, all Cash Equivalents and all certificates and instruments from time to time representing or evidencing such investments; all notes, certificates of deposit, checks and other

instruments from time to time hereafter delivered to or otherwise possessed by the Collateral Agent for or on behalf of any Pledgor in substitution for, or in addition to, any or all of the Pledged Collateral or Mortgaged Property; and all interest, dividends, cash, instruments and other property from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of the items constituting Pledged Collateral or Mortgaged Property.

“Collateral Agency and Intercreditor Agreement” shall mean that certain Collateral Agency and Intercreditor Agreement dated as of February __, 2004, among the Collateral Agent, the Issuer, the guarantors listed on the signature pages thereto, Golden Tree Asset Management, as Lead Investor under the Note Purchase Agreement (referred to therein) and Credit Agricole Indosuez, as Administrative Agent (as the same may be amended, restated or modified from time to time.

“Collateral Agent” shall have the meaning assigned to such term in the Preamble hereof.

“Collection Account” shall have the meaning assigned to such term in Section 8.4(i).

“Collections” shall mean all cash, funds, checks, notes, instruments and any other form of remittance tendered by account debtors in payment of Accounts.

“Commodity Account” shall mean “commodity account,” as such term is defined in Section 9-102(a)(14) of the UCC.

“Commodity Contract” shall mean “commodity contract,” as such term is defined in Section 9-102(a)(15) of the UCC.

“Commodity Intermediary” shall mean “commodity intermediary,” as such term is defined in Section 9-102(a)(16) of the UCC.

“Contested Liens” shall mean, collectively, any Liens incurred in respect of any Charges to the extent that the amounts owing in respect thereof are not yet delinquent or are being contested and otherwise comply with the provisions of Section 4.18; provided, however, that such Liens shall in all respects be subject and subordinate in priority to the Lien and security interest created and evidenced by this Agreement, except if and to the extent that the law or regulation creating, permitting or authorizing such Lien provides that such Lien must be superior to the Lien and security interest created and evidenced hereby.

“Contracts” shall mean, collectively, with respect to each Pledgor, all “contracts,” as such term is defined in Section 1-201(11) of the UCC, of such Pledgor, and in any event, shall include, all sale, service, performance and equipment or property lease contracts, agreements and grants (whether written or oral, or third party or intercompany), and any other documents (whether written or oral) between such Pledgor and third parties (other than Chattel Paper, Documents or Instruments), and all assignments, amendments, restatements, supplements, extensions, renewals, replacements or modifications thereof.

“Control” shall mean (i) in the case of each Deposit Account, “control,” as such term is defined in Section 9-104 of the UCC, and (ii) in the case of any Security Entitlement, “control” as such term is defined in Section 8-106 of the UCC, and (iii) in the case of any Commodity Contract, “control,” as such term is defined in Section 9-106 of the UCC.

“Control Agreement” shall mean (i) with respect to any Securities Account or Commodity Account, an agreement substantially in the form annexed hereto as Exhibit 4(a) or such other agreement in form and substance acceptable to the Collateral Agent, and (ii) with respect to any Deposit Account, an agreement substantially in the form annexed hereto as Exhibit 4(b) or such other agreement in form and substance acceptable to the Collateral Agent.

“Copyrights” shall mean, collectively, with respect to each Pledgor, all copyrights owned by or assigned to and all copyright registrations and applications made by such Pledgor (whether statutory or common law, and whether established or registered in the United States or any other country, including the United States copyright registrations and applications listed in Schedule 1.1(a), together with any and all (i) rights and privileges arising under applicable law with respect to such Pledgor’s use of any copyrights, (ii) reissues, renewals, continuations and extensions thereof, (iii) income, fees, royalties, damages, claims and payments now and hereafter due and/or payable with respect thereto, including, damages and payments for past, present or future infringements thereof, (iv) rights corresponding thereto throughout the world and (v) rights to sue for past, present and future infringements thereof.

“Cost of Construction” shall mean the sum, so far as it relates to the reconstructing, renewing, restoring or replacing of the Equipment and Inventory, of (i) obligations incurred or assumed by any Pledgor or undertaken by any tenant pursuant to the terms of any lease or license for labor, materials and other expenses and to contractors, builders and materialmen, (ii) the cost of contract bonds and of insurance of every kind, nature or character that may reasonably be deemed by any Pledgor to be necessary or appropriate during the course of construction and (iii) the expenses incurred or assumed by any Pledgor for estimates, plans and specifications and preliminary investigations therefor, and for supervising construction, as well as for the performance of all other duties required by or necessary for proper construction.

“Credit Agreement” shall mean the Credit Agreement dated as of August 4, 2000, as amended, among, the Issuer, Jason Holdings, Inc. I, the Banks referred to therein, Credit Agricole Indosuez, as Collateral Agent and Administrative Agent, Firststar Bank, N.A., as documentation agent, and Bank One, NA, as syndication agent.

“Default” shall have the meaning assigned to such term in the Note Purchase Agreement.

“Default Rate” shall mean the rate per annum equal to the highest rate then payable under the Note Purchase Agreement.

“Deposit Accounts” shall mean, collectively, with respect to each Pledgor, (i) all “deposit accounts” as such term is defined in the UCC and (ii) all cash, funds, checks, notes and

instruments from time to time on deposit in any of the accounts described in clause (i) of this definition.

“Designated Accounts” shall mean, collectively, with respect to each Pledgor, (i) the deposit, securities and commodity accounts listed in Schedule 1.1(b) maintained by such Pledgor with a Qualified Intermediary pursuant to a Control Agreement and (ii) such other deposit, securities and commodity accounts opened after the date hereof and maintained by such Pledgor with a Qualified Intermediary pursuant to a Control Agreement.

“Destruction” shall mean any and all damage to, or loss or destruction of, all or any portion of the Pledged Collateral or Mortgaged Property.

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

“Documents” shall mean, collectively, with respect to each Pledgor, all “documents,” as such term is defined in Section 9-102(a)(30) of the UCC, of such Pledgor, and in any event, shall include, all receipts of such Pledgor covering, evidencing or representing Inventory or Equipment.

“Domestic Subsidiary” shall have the meaning assigned to such term in the Note Purchase Agreement.

“Entitlement Order” shall mean “entitlement order,” as such term is defined in Section 8-102(a)(8) of the UCC.

“Equipment” shall mean, collectively, with respect to each Pledgor, all “equipment,” as such term is defined in Section 9-102(a)(33) of the UCC, and, in any event shall include, all machinery, apparatus, equipment, office machinery, electronic data-processing equipment, computers and computer hardware and software (whether owned or licensed), furniture, conveyors, tools, materials, storage and handling equipment, automotive equipment, motor vehicles, tractors, trailers and other like property, whether or not the title thereto is governed by a certificate of title or ownership, and all other equipment of every kind and nature owned by such Pledgor or in which such Pledgor may have any interest (to the extent of such interest) and all modifications, renewals, improvements, alterations, repairs, substitutions, attachments, additions, accessions and other property now or hereafter affixed thereto or used in connection therewith, all replacements and all parts therefor and together with all substitutes for any of the foregoing.

“Event of Default” shall have the meaning assigned to such term in the Note Purchase Agreement.

“Financial Asset” shall mean, collectively, with respect to each Pledgor, all “financial assets,” as such term is defined in Section 8-102(a)(9) of the UCC.

“First Priority Security Agreement” means the Amended and Restated Security Agreement dated as of the date hereof, among Jason Incorporated as the Borrower, each of the Subsidiary Guarantors and Credit Agricole Indosuez, as Collateral Agent for the Lenders party to the Credit Agreement, as the same may be amended from time to time.

“Foreign Subsidiary” shall have the meaning assigned to such term in the Note Purchase Agreement.

“Full Replacement Cost” shall mean the Cost of Construction to replace the General Collateral, exclusive of depreciation.

“GAAP” shall have the meaning assigned to such term in the Note Purchase Agreement.

“General Collateral” shall mean the Pledged Collateral other than the Securities Collateral, the Investment Collateral and the Intellectual Property Collateral.

“General Intangibles” shall mean, collectively, with respect to each Pledgor, all “general intangibles,” as such term is defined in Section 9-102(a)(42) of the UCC, of such Pledgor and, in any event shall include, (i) all of such Pledgor’s rights, title and interest in, to and under all Contracts and Insurance Policies and Pension Plan Reversions, (ii) all know-how and warranties relating to any of the Pledged Collateral or the Mortgaged Property, (iii) any and all other rights, claims, choses-in-action and causes of action of such Pledgor against any other Person and the benefits of any and all collateral or other security given by any other Person in connection therewith, (iv) all guarantees, endorsements and indemnifications on, or of, any of the Pledged Collateral or any of the Mortgaged Property, (v) all lists, books, records, correspondence, ledgers, print-outs, files (whether in printed form or stored electronically), tapes and other papers or materials containing information relating to any of the Pledged Collateral or any of the Mortgaged Property including, all customer or tenant lists, identification of suppliers, data, plans, blueprints, specifications, designs, drawings, appraisals, recorded knowledge, surveys, studies, engineering reports, test reports, manuals, standards, processing standards, performance standards, catalogs, research data, computer and automatic machinery software and programs and the like pertaining to the operations of such Pledgor or any of the Pledged Collateral or any of the Mortgaged Property, field repair data, sales data and other information relating to sales of products now or hereafter manufactured, distributed or franchised by such Pledgor, accounting information pertaining to such Pledgor’s operations or any of the Pledged Collateral or any of the Mortgaged Property and all media in which or on which any of the information or knowledge or data or records relating to such operations or any of the Pledged Collateral or any of the Mortgaged Property may be recorded or stored and all computer programs used for the compilation or printout of such information, knowledge, records or data, (vi) all licenses, consents, permits, variances, certifications, authorizations and approvals, however characterized, of any Governmental Authority (or any Person acting on behalf of a Governmental Authority) now or hereafter acquired or held by such Pledgor pertaining to operations now or hereafter conducted by such Pledgor or any of the Pledged Collateral or any of the Mortgaged Property including, building permits, certificates of occupancy, environmental certificates, industrial permits or licenses and certificates of operation, and (vii) all rights to reserves, deferred payments, deposits, refund, indemnification or claims to the extent the

foregoing relate to any Pledged Collateral or any of the Mortgaged Property and claims for tax or other refunds against any Governmental Authority relating to any Pledged Collateral or any of the Mortgaged Property.

“Goodwill” shall mean, collectively, with respect to each Pledgor, the entire goodwill connected with such Pledgor’s business and, in any event shall include, (i) all goodwill connected with the use of and symbolized by any of the Intellectual Property Collateral in which such Pledgor has any interest, (ii) all know-how, trade secrets, customer lists, proprietary information, inventions, methods, procedures, formulae, descriptions, name plates, catalogs, confidential information, consulting agreements, engineering contracts and such other assets which relate to such goodwill and (iii) goodwill associated with all product lines of such Pledgor’s business.

“Governmental Authority” shall mean any Federal, state, local, foreign or other governmental, quasi-governmental or administrative (including self-regulatory) body, instrumentality, department, agency, authority, board, bureau, commission, office of any nature whatsoever or other subdivision thereof, or any court, tribunal, administrative hearing body, arbitration panel or other similar dispute-resolving body, whether now or hereafter in existence, or any officer or official thereof, having jurisdiction over any Pledgor or the Pledged Collateral or any portion thereof.

“Holders” shall have the meaning assigned to such term in the Preamble hereof.

“Holdings” shall mean Jason Holdings, Inc. I.

“Indebtedness” shall have the meaning assigned to such term in the Note Purchase Agreement.

“Indemnified Liabilities” shall have the meaning assigned to such term in Section 12.4(i).

“Indemnitees” shall have the meaning assigned to such term in Section 12.4(i) hereof.

“Initial Pledged Interests” shall mean, with respect to each Pledgor, all membership interests and/or partnership interests, as applicable, of each issuer described in Schedule 1.1(c) (which, to the extent permitted under the laws of the jurisdiction of organization of such membership or partnership, are and shall remain at all times until this Agreement terminates, certificated interests explicitly made a “security” subject to the provisions of Article 8 of the UCC) together with all rights, privileges, authority and powers of such Pledgor in and to each such issuer or under the Operative Agreement of each such issuer, and the certificates, instruments and agreements representing such membership or partnership interests and any and all interest of such Pledgor in the entries on the books of any financial intermediary pertaining to such membership or partnership interests.

“Initial Pledged Shares” shall mean, collectively, with respect to each Pledgor, the issued and outstanding shares of capital stock of each Person described in Schedule 1.1(d) (which, to the extent permitted under the laws of the jurisdiction of organization of such issuer,

are and shall remain at all times until this Agreement terminates, certificated shares) together with all rights, privileges, authority and powers of such Pledgor in and to each such issuer or under the Operative Agreement of each such issuer, and the certificates, instruments and agreements representing the Initial Pledged Shares and any and all interest of such Pledgor in the entries on the books of any financial intermediary pertaining to the Initial Pledged Shares.

“Instruments” shall mean, collectively, with respect to each Pledgor, all “instruments,” as such term is defined in Section 9-105(1)(i) of the UCC (other than instruments that constitute, or are part of a group of writings that constitute Chattel Paper), and in any event shall include, all promissory notes, drafts, bills of exchange or acceptances.

“Insurance Certificate” shall mean a certificate evidencing the Insurance Requirements (i) in substantially the form commonly known as “ACORD 27” that (A) provides that the insurance has been issued, is in full force and effect, and conveys all the rights and privileges afforded under the Required Insurance Policies, (B) provides an unequivocal obligation to give advance notice to additional interest parties of termination and notification of changes and (C) purports to convey all the privileges of the Required Insurance Policies to the certificate holders and (ii) that otherwise complies with the requirements with respect thereto set forth in Section 4.17.

“Insurance Policies” shall mean, collectively, with respect to each Pledgor, all insurance policies held by such Pledgor or naming such Pledgor as insured, additional insured or loss payee (including, the Required Insurance Policies), all such insurance policies entered into after the date hereof, other than insurance policies (or certificates of insurance evidencing such insurance policies) relating to health and welfare insurance, directors and officers insurance and life insurance policies in which such Pledgor is not named as beneficiary (i.e., insurance policies that are not “Key Man” insurance policies) and all rights, claims and recoveries relating thereto (including, all dividends, returned premiums and other rights to receive money in respect of any of the foregoing).

“Insurance Requirements” means, collectively, with respect to each Pledgor, all provisions of the Required Insurance Policies, all requirements of the issuer of any of the Required Insurance Policies and all orders, rules, regulations and any other requirements of the National Board of Fire Underwriters (or any other body exercising similar functions) binding upon such Pledgor and applicable to the Pledged Collateral or any use or condition thereof.

“Intellectual Property Collateral” shall mean, collectively, the Patents, Trademarks, Copyrights, Licenses and Goodwill.

“Intercompany Notes” shall mean, with respect to such Pledgor, all intercompany notes described in Schedule 1.1(e) (and each other intercompany note hereafter acquired by such Pledgor required to be pledged pursuant to the Note Purchase Agreement and this Agreement) and all certificates, instruments or agreements evidencing such intercompany notes and all assignments, amendments, restatements, supplements, extensions, renewals, replacements or modifications thereof to the extent permitted pursuant to the terms hereof.

“Inventory” shall mean, collectively, with respect to each Pledgor, all “inventory,” as such term is defined in Section 9-109(4) of the UCC, of such Pledgor wherever located and of every class, kind and description and, in any event shall include, (i) all goods, merchandise, raw materials, work-in-process, returned goods, finished goods, samples and consigned goods (to the extent of the consignee’s interest therein), materials and supplies of any kind or nature which are or might be used in connection with the manufacture, printing, publication, packing, shipping, advertising, selling or finishing of any such goods and all other products, goods, materials and supplies, (ii) all inventory as is temporarily out of such Pledgor’s custody or possession, items in transit and any returns and repossessions upon any Accounts and (iii) all substitutions therefor or replacements thereof, and all additions and accessions thereto.

“Investment Collateral” shall mean, collectively, with respect to each Pledgor, all “investment property,” as such term is used in the UCC, of such Pledgor and, in any event shall include, (i) all Securities Accounts and Commodity Accounts including, all Designated Accounts, (ii) (A) all Financial Assets, cash, checks, drafts, securities and instruments deposited or held or required to be deposited or held in such Pledgor’s Securities Accounts and all Security Entitlements relating thereto and (B) all Commodity Contracts, cash, checks, drafts, securities and instruments deposited or held or required to be deposited or held in such Pledgor’s Commodity Accounts, (iii) all investments and all certificates and instruments, if any, from time to time representing or evidencing any other property from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of the foregoing items listed in clauses (i) and (ii) of this definition and (iv) each consent, control or other agreement, including, each Control Agreement, entered into by such Pledgor with any Qualified Intermediary with which any Securities Account or Commodity Account is maintained and all rights, if any, and interests of such Pledgor in, to and under each such consent, control or other agreement; provided, however, that Investment Collateral shall in no event include the Securities Collateral.

“Issuer” shall have the meaning assigned to such term in the Preamble hereof.

“Joinder Agreement” shall mean the form of joinder agreement attached hereto as Exhibit 3.

“Liability Insurance” shall mean, collectively, the insurance policies and coverages described in clause (B) and, to the extent applicable, clauses (E) and (F) of Section 4.17(i) hereof.

“Licenses” shall mean, collectively, with respect to each Pledgor, all license and distribution agreements and covenants not to sue with any other party with respect to any Patent, Trademark, or Copyright, whether such Pledgor is a licensor or licensee, distributor or distributee under any such license or distribution agreement including, the license and distribution agreements listed in Schedule 1.1(f), together with any and all (i) renewals, extensions, supplements and continuations thereof, (ii) income, fees, royalties, damages, claims and payments now and hereafter due and/or payable thereunder and with respect thereto including, damages and payments for past, present or future infringements or violations thereof, (iii) rights to sue for past, present and future infringements or violations thereof and (iv) any other rights to use, exploit or practice any or all of the Patents, Trademarks or Copyrights.

“Lien” shall have the meaning assigned to such term in the Note Purchase Agreement.

“Lockbox Agreement” shall mean each Lockbox Agreement substantially in the form of Exhibit 5 annexed hereto, entered into in connection with this Agreement, in each case, with such changes as the Collateral Agent may, in its sole discretion, approve.

“Lockbox Bank” shall have the meaning assigned to such term in Section 8.4(i).

“Lockbox Concentration Account” shall have the meaning assigned to such term in Section 8.4(ii).

“Lockboxes” shall have the meaning assigned to such term in Section 8.4(i).

“Materially Adverse Effect” shall have the meaning assigned to such term in the Note Purchase Agreement.

“Mortgage” shall have the meaning assigned to such term in the Note Purchase Agreement.

“Mortgaged Property” shall have the meaning assigned to such term in the Mortgages.

“Net Condemnation Award” shall mean the proceeds of any award or payment on account of a Taking, together with any interest earned thereon, less the amount of any expenses incurred in litigating, arbitrating, compromising or settling any claim arising out of such Taking (net of reasonable costs incurred in connection therewith, including the estimated marginal increase in income taxes which will be payable as a result of such event and repayment of Indebtedness which is required to be made with such proceeds).

“Net Insurance Proceeds” shall mean the proceeds of any insurance payable in respect of such Destruction together with any interest earned thereon, less the amount of any expenses incurred in litigating, arbitrating, compromising or settling any claim arising out of such Destruction (net of reasonable costs incurred in connection therewith, including the estimated marginal increase in income taxes which will be payable as a result of such event and repayment of Indebtedness which is required to be made with such proceeds).

“Note Purchase Agreement” shall have the meaning assigned to such term in Recital A.

“Note Documents” shall have the meaning assigned to such term in the Note Purchase Agreement.

“Obligor” shall have the meaning assigned to such term in the Note Purchase Agreement.

“Officers' Certificate” shall have the meaning assigned to such term in the Note Purchase Agreement.

“Operative Agreement” shall mean (i) in the case of any limited liability company or partnership or other non-corporate entity, any membership or partnership agreement or other organizational agreement or document thereof and (ii) in the case of any corporation, any charter or certificate of incorporation and by-laws thereof.

“Patents” shall mean, collectively, with respect to each Pledgor, all patents issued or assigned to and all patent applications and registrations made by such Pledgor (whether established or registered or recorded in the United States or any other country) including, the United States patents and patent applications listed in Schedule 1.1(g), together with any and all (i) rights and privileges arising under applicable law with respect to such Pledgor’s use of any patents, (ii) inventions and improvements described and claimed therein, (iii) reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof, (iv) income, fees, royalties, damages, claims and payments now and hereafter due and/or payable thereunder and with respect thereto including, damages and payments for past, present or future infringements thereof, (v) rights corresponding thereto throughout the world and (vi) rights to sue for past, present and future infringements thereof.

“Pension Plan Reversions” shall mean, with respect to each Pledgor, such Pledgor’s right to receive the surplus funds, if any, which are payable to such Pledgor following the termination of any employee pension plan and the satisfaction of all liabilities of participants and beneficiaries under such plan in accordance with applicable law.

“Permitted Collateral Liens” shall have the meaning assigned to such term in Section 4.4.

“Person” shall have the meaning assigned to such term in the Note Purchase Agreement.

“Pledge Amendment” shall have the meaning assigned to such term in Section 6.1.

“Pledged Collateral” shall have the meaning assigned to such term in Section 2.1.

“Pledged Interests” shall mean, collectively, the Initial Pledged Interests and the Additional Pledged Interests.

“Pledged Securities” shall mean, collectively, the Pledged Interests, the Pledged Shares and the Successor Interests.

“Pledged Shares” shall mean, collectively, the Initial Pledged Shares and the Additional Pledged Shares; provided, however, that such Pledgor shall not be required to pledge shares possessing more than 65% of the voting power of all classes of capital stock entitled to vote of any Foreign Subsidiary and, in any event, shall not be required to pledge the shares of stock of any Subsidiary otherwise required to be pledged pursuant to this Agreement to the extent that such pledge would constitute an investment of earnings in United States property under Section 956 (or a successor provision) of the Tax Code, which investment would trigger an increase in the gross income of a United States shareholder of such Pledgor pursuant to Section 951 (or a successor provision) of the Tax Code; provided, further that no Pledgor shall

be required to pledge the shares of any Foreign Subsidiary that is not a direct Subsidiary of an Obligor, and provided, further, that if any additional shares of a Foreign Subsidiary are pledged under the Credit Agreement, such shares shall also constitute Pledged Shares hereunder.

“Pledgor” shall have the meaning assigned to such term in the Preamble hereof.

“Prior Liens” shall mean, collectively, the Liens identified in Schedule 1.1(h) relating to the items of Pledged Collateral identified in such Schedule.

“Proceeds” shall mean, collectively, all “proceeds,” as such term is defined in Section 9-102(a)(64) of the UCC or under other relevant law, and in any event shall include any and all (i) proceeds of the conversion, voluntary or involuntary, of the Pledged Collateral or any portion thereof into cash or liquidated claims, (ii) proceeds of any insurance (except payments made to a Person which is not a party to this Agreement), indemnity, warranty, guaranty or claim payable to the Collateral Agent or to such Pledgor from time to time with respect to any of the Pledged Collateral including proceeds in respect of any and all Required Insurance Policies, (iii) payments (in any form whatsoever) made or due and payable to such Pledgor from time to time in connection with any requisition, confiscation, condemnation, seizure or forfeiture of all or any portion of the Pledged Collateral by any Governmental Authority (or any Person acting on behalf of a Governmental Authority), (iv) products of the Pledged Collateral and (v) other amounts from time to time paid or payable under or in connection with any of the Pledged Collateral.

“Property Insurance” shall mean, collectively, the insurance policies and coverages described in clauses (A), (C) and (D) and, to the extent applicable, clause (F) of Section 4.17(ii).

“Prudent Operator” shall mean the standard of care taken by a prudent operator of property and assets similar in use and configuration to the Pledged Collateral and located in the locality where the Pledged Collateral is located.

“Qualified Bank” shall mean a Bank (as defined in the Credit Agreement) that has executed and delivered to the Collateral Agent a Control Agreement with respect to a Deposit Account in accordance with the provisions hereof.

“Qualified Commodity Intermediary” shall mean a Commodity Intermediary that has executed and delivered to the Collateral Agent a Control Agreement in accordance with the provisions hereof.

“Qualified Intermediary” shall mean a Qualified Securities Intermediary, a Qualified Commodity Intermediary or a Qualified Bank, as the case may be.

“Qualified Securities Intermediary” shall mean a Securities Intermediary that has executed and delivered to the Collateral Agent a Control Agreement in accordance with the provisions hereof.

“Required Insurance Policies” means, collectively, with respect to each Pledgor, the insurance policies and coverages maintained by such Pledgor with respect to the Pledged Collateral pursuant to Section 4.17 and all renewals and extensions thereof.

“Requirements of Law” shall mean, collectively, any and all requirements of any Governmental Authority including, any and all laws, ordinances, rules, regulations or similar statutes or case law.

“Restoration” shall mean the rebuilding, repairing or replacing of any Pledged Collateral subject to a Taking or Destruction.

“Secured Obligations” shall mean all obligations (whether or not constituting future advances, obligatory or otherwise) of the Issuer and any and all of the other Obligor from time to time arising under or in respect hereof, the Notes, the Note Purchase Agreement and the other Note Documents (including, the obligations to pay principal, interest and all other charges, fees, expenses, commissions, reimbursements, premiums, indemnities and other payments related to or in respect of the obligations contained in this Agreement, the Notes, the Note Purchase Agreement, and the other Note Documents), in each case whether (i) such obligations are direct or indirect, secured or unsecured, joint or several, absolute or contingent, due or to become due whether at stated maturity, by acceleration or otherwise, (ii) arising in the regular course of business or otherwise, (iii) for payment or performance and/or (iv) now existing or hereafter arising (including, interest and other obligations arising or accruing after the commencement of any bankruptcy, insolvency, reorganization or similar proceeding with respect to any Obligor or any other Person, or which would have arisen or accrued but for the commencement of such proceeding, even if such obligation or the claim therefor is not enforceable or allowable in such proceeding).

“Secured Parties” shall have the meaning assigned to such term in Recital F.

“Securities Account” shall mean, with respect to each Pledgor, each “securities account,” as such term is defined in Section 8-501(a) of the UCC, established or maintained for or on behalf of such Pledgor.

“Securities Act” shall have the meaning assigned to such term in Section 10.4(ii).

“Securities Collateral” shall mean, collectively, the Pledged Securities, the Intercompany Notes and the Distributions.

“Securities Intermediary” shall mean “securities intermediary,” as such term is defined in Section 8-102(a)(14) of the UCC.

“Security Documents” shall have the meaning assigned to such term in the Note Purchase Agreement.

“Security Entitlement” shall mean, with respect to each Pledgor, each “security entitlement,” as such term is defined in Section 8-102(a)(17) of the UCC, of such Pledgor and in any event shall include, the rights and property interests of such Pledgor with respect to any and all Financial Assets.

“Subsidiary Guarantees” shall have the meaning assigned to such term in Recital C.

“Subsidiary Guarantors” shall have the meaning assigned to such term in the Preamble hereof, but shall not include any Foreign Subsidiary.

“Subsidiary” shall have the meaning assigned to such term in the Note Purchase Agreement.

“Successor Interests” shall mean, collectively, with respect to each Pledgor, all shares of each class of the capital stock of the successor corporation or interests or certificates of the successor limited liability company or partnership owned by such Pledgor (unless such successor is such Pledgor itself) formed by or resulting from any consolidation or merger in which any Person listed in Schedule 1.1(c) or Schedule 1.1(d) is not the surviving entity; provided, however, that the pledge of the Successor Interests affected hereby shall in no event affect the obligations of such Pledgor under any provision prohibiting such action hereunder or under the Note Purchase Agreement.

“Taking” shall mean any taking of the General Collateral or any portion thereof, in or by condemnation or other eminent domain proceedings pursuant to any law, general or special, or by reason of the temporary requisition of the use of the Pledged Collateral or Mortgaged Property or any portion thereof, by any Governmental Authority, civil or military.

“Tax Code” shall mean the Internal Revenue Code of 1986, as amended from time to time.

“Trademarks” shall mean, collectively, with respect to each Pledgor, all trademarks (including service marks), logos, Federal and state trademark registrations and applications made by such Pledgor, common law trademarks and trade names owned by or assigned to such Pledgor, and all registrations and applications for the foregoing (except for any of the foregoing in those jurisdictions that prohibit the grant of a security interest therein), including, the registrations and applications listed in Schedule 1.1(i), together with any and all (i) United State rights and privileges arising under applicable law with respect to such Pledgor’s use of any trademarks, (ii) reissues, continuations, extensions and renewals thereof, (iii) income, fees, royalties, damages and payments now and hereafter due and/or payable thereunder and with respect thereto, including, damages, claims and payments for past, present or future infringements thereof, (iv) rights corresponding thereto throughout the world and (v) rights to sue for past, present and future infringements thereof.

“UCC” shall mean the Uniform Commercial Code as in effect on the date hereof in the State of New York; provided, however, that if by reason of mandatory provisions of law, the attachment, perfection, the effect of perfection or non-perfection or priority of the security interest in any item or portion of the Pledged Collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other than the State of New York, “UCC” shall mean the Uniform Commercial Code as in effect in such other jurisdiction for purposes of the provisions hereof relating to such attachment, perfection, effect of perfection or non-perfection or priority.

SECTION 1.2 Interpretation. In this Agreement, unless otherwise specified, (i) singular words include the plural and plural words include the singular, (ii) words importing any gender include the other gender, (iii) references to any Person include such Person’s

successors and assigns and in the case of an individual, the word "successors" includes such Person's heirs, devisees, legatees, executors, administrators and personal representatives, (iv) references to any statute or other law include all applicable rules, regulations and orders adopted or made thereunder and all statutes or other laws amending, consolidating or replacing the statute or law referred to, (v) the words "consent," "approve" and "agree," and derivations thereof or words of similar import, mean the prior written consent, approval or agreement of the Person in question, (vi) the words "include" and "including," and words of similar import, shall be deemed to be followed by the words "without limitation," (vii) the words "hereto," "herein," "hereof" and "hereunder," and words of similar import, refer to this Agreement in its entirety, (viii) unless otherwise expressly indicated, references to Articles, Sections, Schedules, Exhibits, Recitals, subsections, paragraphs and clauses are to the Articles, Sections, Schedules, Exhibits, Recitals, subsections, paragraphs and clauses hereof and with respect to Schedules and Exhibits, annexed hereto, (ix) the Schedules and Exhibits to this Agreement, in each case as amended, amended and restated, supplemented or otherwise modified from time to time in accordance with the provisions hereof are incorporated herein by reference, (x) the titles and headings of Articles, Sections, Schedules, Exhibits, subsections, paragraphs and clauses are inserted as a matter of convenience only and shall not affect the construction of any provisions hereof and (xi) all obligations of each Pledgor hereunder shall be satisfied by each Pledgor at each Pledgor's sole cost and expense.

SECTION 1.3 Resolution of Drafting Ambiguities. Each Pledgor acknowledges and agrees that it was represented by counsel in connection with the execution and delivery hereof, that it and its counsel reviewed and participated in the preparation and negotiation hereof and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party (i.e., the Collateral Agent) shall not be employed in the interpretation hereof.

ARTICLE II.
GRANT OF SECURITY AND SECURED OBLIGATIONS

SECTION 2.1 Pledge. As collateral security for the payment and performance in full of all the Secured Obligations, each Pledgor hereby pledges, assigns, transfers and grants to the Collateral Agent for its benefit and for the benefit of the Secured Parties, a security interest in and to and pledge of all of the right, title and interest of such Pledgor in, to and under the following property, wherever located, whether now existing or hereafter arising or acquired from time to time (collectively, the "Pledged Collateral") pursuant to, and in accordance with, the terms set forth herein:

- (i) Accounts;
- (ii) Inventory;
- (iii) Documents;
- (iv) Instruments;
- (v) Chattel Paper;

- (vi) Equipment, Goods and Fixtures;
- (vii) Pledged Securities;
- (viii) Intercompany Notes;
- (ix) Distributions;
- (x) Investment Collateral;
- (xi) Intellectual Property Collateral;
- (xii) General Intangibles;
- (xiii) Collateral Account;
- (xiv) Deposit Accounts;
- (xv) Letter of Credit Rights;
- (xvi) the Commercial Tort Claims described on Schedule 2.1;
- (xvii) all Supporting Obligations;
- (xviii) all books and records relating to the Pledged Collateral; and
- (xix) to the extent not covered by clauses (i) through (xviii) of this sentence, all other personal property of such Pledgor, whether tangible or intangible and all Proceeds and products of each of the foregoing and all accessions to, substitutions and replacements for, and rents, profits and products of, each of the foregoing, any and all proceeds of any insurance, indemnity, warranty or guaranty payable to such Pledgor from time to time with respect to any of the foregoing.

Notwithstanding the foregoing provisions of this Section 2.1, the Pledged Collateral shall not include any property or asset hereafter acquired by Pledgor which is subject to Capitalized Lease Obligations; provided, however, that at such time as such property or asset is no longer subject to such Capitalized Lease Obligations, such property or asset shall (without any act or delivery by any Person) constitute Pledged Collateral hereunder. Notwithstanding the foregoing, the Pledged Collateral in which a security interest is granted pursuant to this Agreement specifically excludes General Intangibles, Intellectual Property Collateral or Instruments arising under contracts or other agreements or Instruments that expressly or by operation of law prohibit assignment of such rights without the prior written consent of the other parties thereto; provided, however, that with respect to any such General Intangibles, Intellectual Property Collateral or Instruments, which are material to the operation of such Pledgor's business as currently conducted, such Pledgor shall use its commercially reasonable best efforts to obtain the consent of the other parties thereto to permit the assignment of such rights hereunder.

Notwithstanding anything to the contrary provided herein, the Liens granted hereunder shall be subject and subordinate to the Liens granted to secure the First Priority Lien Obligations (as such term is defined in the Collateral Agency and Intercreditor Agreement) and further subject to the provisions of the Collateral Agency and Intercreditor Agreement.

SECTION 2.2 Secured Obligations. This Agreement secures, and the Pledged Collateral is collateral security for, the payment and performance in full when due of the Secured Obligations.

SECTION 2.3 Future Advances. This Agreement shall secure the payment of any and all amounts, if any, advanced from time to time pursuant to the Note Documents.

SECTION 2.4 No Release. Nothing set forth in this Agreement shall relieve any Pledgor from the performance of any term, covenant, condition or agreement on such Pledgor's part to be performed or observed under or in respect of any of the Pledged Collateral or from any liability to any Person under or in respect of any of the Pledged Collateral or shall impose any obligation on the Collateral Agent or any other Secured Party to perform or observe any such term, covenant, condition or agreement on such Pledgor's part to be so performed or observed or shall impose any liability on the Collateral Agent or any other Secured Party for any act or omission on the part of such Pledgor relating thereto or for any breach of any representation or warranty on the part of such Pledgor contained in this Agreement or any other Note Document, or under or in respect of the Pledged Collateral or made in connection herewith or therewith. The obligations contained in this Section 2.4 shall survive the termination hereof and the discharge of such Pledgor's other obligations under this Agreement, and the other Note Documents.

SECTION 2.5 Filings.

(i) Each Pledgor hereby irrevocably authorizes the Collateral Agent at any time and from time to time to file in any relevant jurisdiction any initial financing statements (including fixture filings and any financing statement describing the Pledged Collateral as "all assets in which the Pledgor now owns or hereafter acquires rights" or words of similar effect) and amendments thereto that contain the information required by Article 9 of the Uniform Commercial Code of each applicable jurisdiction for the filing of any financing statement or amendment relating to the Pledged Collateral, including, (i) whether such Pledgor is an organization, the type of organization and any organizational identification number issued to such Pledgor and (ii) in the case of a financing statement filed as a fixture filing or covering Pledged Collateral constituting minerals or the like to be extracted or timber to be cut, a sufficient description of the real property to which such Pledged Collateral relates. Each Pledgor agrees to provide all information described in the immediately preceding sentence to the Collateral Agent promptly upon written request.

(ii) Each Pledgor hereby ratifies its authorization for the Collateral Agent to file in any relevant jurisdiction any initial financing statements or amendments thereto relating to the Pledged Collateral if filed prior to the date hereof.

(iii) Each Pledgor hereby further authorizes the Collateral Agent to file filings with the United States Patent and Trademark Office or United States Copyright Office (or any successor office or any similar office in any other country) or other documents for the purpose of perfecting, confirming, continuing, enforcing or protecting the security interest granted by such Pledgor hereunder, without the signature of such Pledgor, and naming such Pledgor, as debtor, and the Collateral Agent, as secured party.

ARTICLE III.
PERFECTION; SUPPLEMENTS; FURTHER ASSURANCES;
USE OF PLEDGED COLLATERAL

SECTION 3.1 Delivery of Certificated Securities Collateral. All certificates, agreements or instruments representing or evidencing the Securities Collateral, to the extent not previously delivered to the Collateral Agent, shall immediately upon receipt thereof by any Pledgor be delivered to and held by or on behalf of the Collateral Agent pursuant hereto. All certificated Securities Collateral shall be in suitable form for transfer by delivery or shall be accompanied by duly executed instruments of transfer or assignment in blank, all in form and substance reasonably satisfactory to the Collateral Agent. The Collateral Agent shall have the right, at any time upon the occurrence and during the continuance of any Event of Default, to endorse, assign or otherwise transfer to or to register in the name of the Collateral Agent or any of its nominees or endorse for negotiation any or all of the Securities Collateral, without any indication that such Securities Collateral is subject to the security interest hereunder. In addition, the Collateral Agent shall have the right at any time to exchange certificates representing or evidencing Securities Collateral for certificates of smaller or larger denominations.

SECTION 3.2 Perfection of Uncertificated Securities Collateral. If any issuer of Pledged Securities is organized in a jurisdiction which does not permit the use of certificates to evidence equity ownership, or if any of the Pledged Securities are at any time not evidenced by certificates of ownership, then each applicable Pledgor shall, to the extent permitted by applicable law, record such pledge on the equityholder register or the books of the issuer, cause the issuer to execute and deliver to the Collateral Agent an acknowledgment of the pledge of such Pledged Securities substantially in the form of Exhibit 1, execute any customary pledge forms or other documents necessary or appropriate to complete the pledge and give the Collateral Agent the right to transfer such Pledged Securities under the terms hereof and provide to the Collateral Agent, if reasonably requested by the Collateral Agent, an opinion of counsel, in form and substance reasonably satisfactory to the Collateral Agent, confirming such pledge and perfection thereof.

SECTION 3.3 Financing Statements and Other Filings. All filings, registrations and recordings necessary and appropriate to create, preserve, protect and perfect the security interest granted by each Pledgor to the Collateral Agent pursuant to this Agreement in respect of the Pledged Collateral are listed in Schedule 3.3 annexed hereto. All such filings, registrations and recordings have been filed, registered and recorded contemporaneously with the execution of the Note Documents or shall be filed, registered and recorded immediately after the date thereof, except for filings, registrations or recordings required to perfect the security interest in foreign Intellectual Property Collateral. Each Pledgor agrees that at any time and from time to time, it will execute and, at the sole cost and expense of the Pledgors file and refile, or permit the

Collateral Agent to file and refile, such financing statements, continuation statements and other documents (including, this Agreement), in form acceptable to the Collateral Agent, in such offices (including, the United States Patent and Trademark Office and the United States Copyright Office) as the Collateral Agent may deem necessary or appropriate, wherever required or permitted by law in order to perfect, continue and maintain a valid, enforceable, second priority security interest in the Pledged Collateral as provided herein, subject only to First Priority Liens (as defined in the Intercreditor Agreement), and to preserve the other rights and interests granted to the Collateral Agent hereunder, as against third parties, with respect to any Pledged Collateral. Each Pledgor hereby authorizes the Collateral Agent to file any such financing or continuation statement or other document without the signature of such Pledgor where permitted by law.

SECTION 3.4 Perfection in Investment Collateral and Deposit Accounts.

Contemporaneously with the execution and delivery of this Agreement each Pledgor shall comply with the provisions of Section 8.1.

SECTION 3.5 Joinder of Affiliates. The Issuer and the Pledgors shall cause each Domestic Subsidiary of the Issuer or such Pledgor which, from time to time, after the date hereof shall be required to pledge any assets to the Collateral Agent for the benefit of the Secured Parties pursuant to the provisions of the Note Purchase Agreement, to execute and deliver to the Collateral Agent a joinder agreement substantially in the form of Exhibit 3 and, upon such execution and delivery, such Domestic Subsidiary shall be deemed to be a "Subsidiary Guarantor" and a "Pledgor" for all purposes hereunder.

SECTION 3.6 Motor Vehicles. At any time after the occurrence and during the continuance of an Event of Default, each Pledgor shall, upon the request of the Collateral Agent, deliver to the Collateral Agent originals of the certificates of title or ownership for the motor vehicles (and any other Equipment covered by certificates of title or ownership owned by it) with the Collateral Agent listed as lienholder therein.

SECTION 3.7 Supplements; Further Assurances. Each Pledgor agrees to take such further actions, and to execute and deliver to the Collateral Agent such additional assignments, agreements, supplements, powers and instruments, as the Collateral Agent may deem reasonably necessary or appropriate, wherever required or permitted by law, in order to perfect, preserve and protect the security interest in the Pledged Collateral as provided herein and the rights and interests granted to the Collateral Agent hereunder, to carry into effect the purposes hereof or better to assure and confirm unto the Collateral Agent or permit the Collateral Agent to exercise and enforce its respective rights, powers and remedies hereunder with respect to any Pledged Collateral. Without limiting the generality of the foregoing, upon the request of the Collateral Agent each Pledgor shall make, execute, endorse, acknowledge, file or refile and/or deliver to the Collateral Agent from time to time such lists, descriptions and designations of the Pledged Collateral, copies of warehouse receipts, receipts in the nature of warehouse receipts, bills of lading, documents of title, vouchers, invoices, schedules, confirmatory assignments, supplements, additional security agreements, conveyances, financing statements, transfer endorsements, powers of attorney, certificates, reports and other assurances or instruments. The Collateral Agent may institute and maintain, in its own name or in the name of any Pledgor, such suits and proceedings as the Collateral Agent may be advised by counsel shall

be necessary or expedient to prevent any impairment of the security interest in or the perfection thereof in the Pledged Collateral. All of the foregoing shall be at the sole cost and expense of the Pledgors.

SECTION 3.8 Use and Pledge of Pledged Collateral. Notwithstanding anything contained in this Agreement to the contrary, unless an Event of Default shall have occurred and be continuing, the Pledgors may continue to exploit, license, use, enjoy and protect the Pledged Collateral in accordance with the terms hereof and the Note Purchase Agreement and the Collateral Agent shall from time to time execute and deliver, upon written request of any Pledgor and at the sole cost and expense of the Pledgors, any and all instruments, certificates or other documents, in a form reasonably requested by such Pledgor, necessary or appropriate in the reasonable judgment of such Pledgor to enable such Pledgor to continue to do so. The Pledgors and the Collateral Agent acknowledge that this Agreement is intended to grant to the Collateral Agent for the benefit of the Secured Parties a security interest in and Lien upon the Pledged Collateral and shall not constitute or create a present assignment of any of the Pledged Collateral.

SECTION 3.9 Other Actions. In order to further insure the attachment, perfection and priorities of, and the ability of the Collateral Agent to enforce, the Collateral Agent's security interests in the Pledged Collateral, each Pledgor agrees, in each case at such Pledgor's own expense, to take the following actions with respect to the following Pledged Collateral:

(i) **Instruments and Tangible Chattel Paper.** As of the date hereof, each Pledgor hereby represents and warrants that (A) no amount individually or in the aggregate in excess of \$100,000 payable under or in connection with any of the Pledged Collateral is evidenced by any Instrument or Tangible Chattel Paper other than such Instruments and Tangible Chattel Paper listed in Schedule 3.9 and (B) each Instrument and each item of Tangible Chattel Paper (other than any Instrument or Chattel Paper evidencing indebtedness described in clauses (i), (ii), (iii) (to the extent an Obligor is not a creditor under such indebtedness described in clause (iii) and (iv) of the definition of Intercompany Indebtedness in the Note Purchase Agreement) has been properly endorsed, assigned and delivered to the Collateral Agent, accompanied by instruments of transfer or assignment duly executed in blank. If any amount individually or in the aggregate in excess of \$100,000 payable under or in connection with any of the Pledged Collateral shall be evidenced by any Instrument or Tangible Chattel Paper (other than any Instrument or Chattel Paper evidencing indebtedness described in clauses (i), (ii), (iii) (to the extent an Obligor is not a creditor under such indebtedness described in clause (iii) and (iv) of the definition of Intercompany Indebtedness in the Note Purchase Agreement), the Pledgor acquiring such Instrument or Tangible Chattel Paper shall, upon the occurrence and during the continuance of an Event of Default and at the written request of the Collateral Agent, endorse, assign and deliver the same to the Collateral Agent, accompanied by such instruments of transfer or assignment duly executed in blank as the Collateral Agent may from time to time specify; provided, however, that so long as no Event of Default shall be continuing, the Collateral Agent shall return such Instrument or Tangible Chattel Paper to such Pledgor, to the extent necessary for collection in the ordinary course of such Pledgor's business.

(ii) Electronic Chattel Paper and Transferable Records. If any amount individually or in the aggregate in excess of \$100,000 payable under or in connection with any of the Pledged Collateral shall be evidenced by any Electronic Chattel Paper or any "transferable record," as that term is defined in Section 201 of the Federal Electronic Signatures in Global and National Commerce Act, or in Section 16 of the Uniform Electronic Transactions Act as in effect in any relevant jurisdiction, the Pledgor acquiring such Electronic Chattel Paper or transferable record shall promptly notify the Collateral Agent thereof and shall take such action as the Collateral Agent may reasonably request to vest in the Collateral Agent control under UCC Section 9-105 of such Electronic Chattel Paper or control under Section 201 of the Federal Electronic Signatures in Global and National Commerce Act or, as the case may be, Section 16 of the Uniform Electronic Transactions Act, as so in effect in such jurisdiction, of such transferable record. The Collateral Agent agrees with such Pledgor that the Collateral Agent will arrange, pursuant to procedures reasonably satisfactory to the Collateral Agent and so long as such procedures will not result in the Collateral Agent's loss of control, for the Pledgor to make alterations to the Electronic Chattel Paper or transferable record permitted under UCC Section 9-105 or, as the case may be, Section 201 of the Federal Electronic Signatures in Global and National Commerce Act or Section 16 of the Uniform Electronic Transactions Act for a party in control to allow without loss of control, unless an Event of Default has occurred and is continuing or would occur after taking into account any action by such Pledgor with respect to such Electronic Chattel Paper or transferable record.

(iii) Letter-of-Credit Rights. If any Pledgor is at any time a beneficiary under a letter of credit now or hereafter issued in favor of such Pledgor, other than a Letter of Credit issued pursuant to the Credit Agreement, in an amount individually or in the aggregate in excess of \$100,000, such Pledgor shall promptly notify the Collateral Agent thereof and, upon the occurrence and during the continuance of an Event of Default, such Pledgor shall, at the written request of the Collateral Agent, pursuant to an agreement in form and substance reasonably satisfactory to the Collateral Agent, either (A) arrange for the issuer and any confirmer of such letter of credit to consent to an assignment to the Collateral Agent of the proceeds of any drawing under the letter of credit or (B) arrange for the Collateral Agent to become the transferee beneficiary of such letter of credit, with the Collateral Agent agreeing, in each case, that the proceeds of any drawing under the letter of credit are to be applied as provided in the Note Purchase Agreement.

(iv) Commercial Tort Claims. As of the date hereof each Pledgor hereby represents and warrants that it holds no Commercial Tort Claims other than those listed in Schedule 2.1. If any Pledgor shall at any time hold or acquire a Commercial Tort Claim having a value individually or in the aggregate in excess of \$100,000, such Pledgor shall immediately notify the Collateral Agent in writing signed by such Pledgor of the brief details thereof and grant to the Collateral Agent in such writing a security interest therein and in the Proceeds thereof, all upon the terms of this Agreement, with such writing to be in form and substance reasonably satisfactory to the Collateral Agent.

**ARTICLE IV.
REPRESENTATIONS, WARRANTIES AND COVENANTS**

Each Pledgor represents, warrants and covenants as follows:

SECTION 4.1 Payment. Such Pledgor shall pay as and when the same shall become due, whether at its stated maturity, by acceleration or otherwise, each and every amount payable by such Pledgor under the Note Documents.

SECTION 4.2 Authority and Validity; Preservation of Corporate Existence.

(i) Such Pledgor represents and warrants that (A) it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, (B) it is duly qualified to transact business and is in good standing in each state in which the Pledged Collateral is located, except where the failure to so qualify would not have a Materially Adverse Effect or materially impair the value of the Pledged Collateral or materially impair the Lien created by this Agreement or any other Note Document, (C) it has full organizational power and lawful authority to execute and deliver this Agreement and to pledge the Pledged Collateral as contemplated herein, and all corporate, governmental actions, consents, authorizations and approvals necessary or required therefor have been duly and effectively taken or obtained, except where the failure to obtain such governmental actions, consents, authorizations or approvals would not have a Materially Adverse Effect or materially impair the value of the Pledged Collateral or materially impair the Lien created by this Agreement or any other Note Document, and (D) this Agreement is a legal, valid and binding obligation of such Pledgor, enforceable against such Pledgor in accordance with its terms except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or limiting creditors' rights generally or by equitable principles relating to enforceability.

(ii) Such Pledgor shall (A) preserve and maintain in full force and effect its existence and good standing under the laws of the jurisdiction of its organization, (B) preserve and maintain in full force and effect its qualification to transact business and good standing in the state in which the Pledged Collateral is located and (C) preserve and maintain in full force and effect all consents, authorizations and approvals necessary or required of any Governmental Authority or any other Person relating to the execution, delivery and performance hereof.

SECTION 4.3 Perfection Actions; Prior Liens. Upon the completion of the deliveries, filings and other actions contemplated in Section 3.1 through Section 3.4, the security interest granted to the Collateral Agent for the benefit of the Secured Parties pursuant to this Agreement in and to the Pledged Collateral will constitute a perfected, continuing second priority security interest therein, superior and prior to the rights of all other Persons therein other than with respect to the holders of (i) the Prior Liens; (ii) Contested Liens and (iii) First Priority Liens (as defined in the Intercreditor Agreement).

SECTION 4.4 Limitation on Liens. Such Pledgor is as of the date hereof, and, as to Pledged Collateral acquired by it from time to time after the date hereof, such Pledgor

will be, the sole direct and beneficial owner of all Pledged Collateral pledged by it hereunder free from any Lien or other right, title or interest of any Person other than (i) Prior Liens, (ii) the Lien and security interest created by this Agreement, (iii) Contested Liens, (iv) the Liens described in the definition of "Permitted Liens" contained in the Note Purchase Agreement and (v) the extension, amendment, supplement, replacement or renewal of any Liens permitted by sub-clauses (i), (ii) or (iv) of this Section 4.4 upon the same Pledged Collateral subject hereto without increase in the amount of Indebtedness secured thereby (the Liens described in clauses (i) through (v) of this sentence, collectively, "Permitted Collateral Liens"). Pledgor shall defend the Pledged Collateral pledged by it hereunder against all claims and demands of all Persons (other than Persons claiming by, through or under the Collateral Agent) at any time claiming any interest therein adverse to the Collateral Agent or any other Secured Party. There is no agreement, and no Pledgor shall enter into any agreement or take any other action, that would result in the imposition of any Lien (other than Permitted Collateral Liens), restrict the transferability of any of the Pledged Collateral or otherwise impair or conflict with such Pledgors' obligations or the rights of the Collateral Agent hereunder.

SECTION 4.5 Other Financing Statements. There is no (nor will there be any) valid or effective financing statement (or similar statement or instrument of registration under the law of any jurisdiction) covering or purporting to cover any interest of any kind in the Pledged Collateral other than financing statements relating to Permitted Collateral Liens, and so long as any of the Secured Obligations remain unpaid no Pledgor shall execute, authorize or permit to be filed in any public office any financing statement (or similar statement or instrument of registration under the law of any jurisdiction) or statements relating to any Pledged Collateral, except, in each case, financing statements filed or to be filed in respect of and covering the security interests granted by such Pledgor to the holder of the Permitted Collateral Liens.

SECTION 4.6 Chief Executive Office; Change of Name; Jurisdiction of Organization.

(i) The exact legal name, type of organization, jurisdiction of organization, Federal Taxpayer Identification Number, organizational identification number and chief executive office of such Pledgor is indicated next to its name in Schedule 4.6. Such Pledgor shall not change (A) its corporate name, (B) the location of its chief executive office or its principal place of business, (C) its identity or type of organization or corporate structure, (D) its Federal Taxpayer Identification Number or organizational identification number or (E) its jurisdiction of organization (in each case, including by merging with or into any other entity, reorganizing, dissolving, liquidating, reincorporating or incorporating in any other jurisdiction) until (a) it shall have given the Collateral Agent not less than 30 days' prior written notice (in the form of an Officers' Certificate) of its intention so to do, clearly describing such change and providing such other information in connection therewith as the Collateral Agent may reasonably request and (b) with respect to such change, such Pledgor shall have taken all action reasonably satisfactory to the Collateral Agent to maintain the perfection and priority of the security interest of the Collateral Agent for the benefit of the Secured Parties in the Pledged Collateral intended to be granted hereunder, including using commercially reasonable efforts to obtain waivers of landlord's, bailee's or warehousemen's liens with respect to such new location, if applicable. Each Pledgor agrees to promptly provide the Collateral

Agent with certified organizational documents if such organizational documents reflect any of the changes described in the preceding sentence.

(ii) The Collateral Agent may rely on opinions of counsel as to whether any or all UCC financing statements of the Pledgors need to be amended as a result of any of the changes described in Section 4.6(i). If any Pledgor fails to provide information to the Collateral Agent about such changes on a timely basis, the Collateral Agent shall not be liable or responsible to any party for any failure to maintain a perfected security interest in such Pledgor's property constituting Pledged Collateral, for which the Collateral Agent needed to have information relating to such changes. The Collateral Agent shall have no duty to inquire about such changes if any Pledgor does not inform the Collateral Agent of such changes, the parties acknowledging and agreeing that it would not be feasible or practical for the Collateral Agent to search for information on such changes if such information is not provided by any Pledgor.

SECTION 4.7 Location of Inventory and Equipment. All Inventory and Equipment of such Pledgor are located at the chief executive office or such other location listed in Schedule 4.6 (other than spare parts of a de minimis value held for the maintenance and repair of Equipment). Such Pledgor shall not move any Inventory or Equipment to any location other than one within the continental United States. Each Pledgor shall use commercially reasonable efforts to obtain waivers of landlord's, bailee's or warehouseman's liens with respect to each new location of Inventory or Equipment, if applicable. Notwithstanding anything to the contrary contained in this Section 4.7; this Section 4.7 shall not apply to any (i) Inventory which has been sold by a Pledgor pursuant to Section 8.16(a)(iii) of the Note Purchase Agreement and (ii) Equipment which has been moved by a Pledgor to a location or facility established or maintained by a Foreign Subsidiary of the Issuer in an amount not to exceed \$1,000,000, individually or in the aggregate, during the term of this Agreement.

SECTION 4.8 Warehouse Receipts Non-Negotiable. If any warehouse receipt or receipt in the nature of a warehouse receipt is issued with respect to any Inventory or Equipment, the applicable Pledgor shall not permit such warehouse receipt or receipt in the nature thereof to be "negotiable" (as such term is used in Section 7-104 of the UCC or under other relevant law).

SECTION 4.9 Condition and Maintenance of Equipment. The Equipment of such Pledgor is in good repair, working order and condition, reasonable wear and tear excepted, other than obsolete Equipment no longer useful or necessary for such Pledgor's business. Each Pledgor shall cause the Equipment, other than obsolete Equipment no longer useful or necessary for such Pledgor's business, to be maintained and preserved in good repair, working order and condition, reasonable wear and tear excepted, and shall as quickly as commercially practicable make or cause to be made all repairs, replacements and other improvements which are necessary or appropriate in the conduct of such Pledgor's business; provided, however, that in the case of any Destruction which (individually or in the aggregate) exceeds \$250,000 to any of the Equipment, Pledgor shall give prompt notice thereof to the Collateral Agent.

SECTION 4.10 Corporate Names; Prior Transactions. Such Pledgor has not, during the past five years, been known by or used any other corporate or fictitious name or been

a party to any merger or consolidation, or acquired all or substantially all of the assets of any Person, or acquired any of its property or assets out of the ordinary course of business, except as set forth in Schedule 4.10.

SECTION 4.11 Due Authorization and Issuance. All of the Pledged Shares have been, and to the extent hereafter issued will be upon such issuance, duly authorized, validly issued and fully paid and nonassessable. All of the Initial Pledged Interests, if any, have been fully paid for, and there is no amount or other obligation owing by any Pledgor to any issuer of the Initial Pledged Interests in exchange for or in connection with the issuance of the Initial Pledged Interests or any Pledgor's status as a partner or a member of any issuer of the Initial Pledged Interests.

SECTION 4.12 No Violations, etc. The pledge of the Pledged Securities pursuant to this Agreement does not violate Regulations T, U or X of the Federal Reserve Board.

SECTION 4.13 No Options, Warrants, etc. There are no options, warrants, calls, rights, commitments or agreements of any character to which such Pledgor is a party or by which it is bound obligating such Pledgor to issue, deliver or sell or cause to be issued, delivered or sold additional Pledged Securities or obligating such Pledgor to grant, extend or enter into any such option, warrant, call, right, commitment or agreement. There are no voting trusts or other agreements or understandings to which such Pledgor is a party with respect to the transfer, voting or exercise of any other right of the equity interests of any issuer of the Pledged Securities.

SECTION 4.14 No Claims. Such Pledgor owns or has rights to use all of the Pledged Collateral pledged by it hereunder and all rights with respect to any of the foregoing used in, necessary for or material to such Pledgor's business as currently conducted and as contemplated to be conducted pursuant to the Note Documents. To the knowledge of such Pledgor after due and diligent inquiry, the use by such Pledgor of such Pledged Collateral and all such rights with respect to the foregoing do not infringe on the rights of any Person. No claim has been made and remains outstanding that such Pledgor's use of any Pledged Collateral violates the rights of any third Person that would have a materially adverse effect on the use or value of such Pledged Collateral.

SECTION 4.15 No Conflicts, Consents, etc. Neither the execution and delivery hereof by each Pledgor nor the consummation of the transactions herein contemplated nor the fulfillment of the terms hereof (i) violates any Operative Agreement of such Pledgor or any issuer of Pledged Securities, (ii) violates the terms of any agreement, indenture, mortgage, deed of trust, equipment lease, instrument or other document to which such Pledgor is a party, or by which it may be bound or to which any of its properties or assets may be subject, (iii) conflicts with any Requirement of Law applicable to any such Pledgor or its property, or (iv) results in or requires the creation or imposition of any Lien (other than the Lien contemplated hereby) upon or with respect to any of the property now owned or hereafter acquired by such Pledgor. No consent of any party (including equityholders or creditors of such Pledgor or any account debtor under an Account) and no consent, authorization, approval, license or other action by, and no notice to or filing with, any Governmental Authority or regulatory body or other Person is required for (A) the pledge by such Pledgor of the Pledged Collateral pledged by it pursuant to this Agreement or for the execution, delivery or performance

hereof by such Pledgor, except as set forth in Schedule 4.15, (B) the exercise by the Collateral Agent of the voting or other rights provided for in this Agreement or (C) the exercise by the Collateral Agent of the remedies in respect of the Pledged Collateral pursuant to this Agreement, except as may be required in connection with the disposition of the Pledged Collateral by laws affecting the offering and sale of securities generally. With respect to each consent, authorization, approval, license or other action described in Schedule 4.15, such Pledgor shall use its best efforts to cause the counterparty with respect thereto to deliver such consent authorization, approval or license or otherwise cause such other action to be taken within 30 days after the date hereof; provided, however, that such Pledgor shall in no event be required to pay or cause to be paid any remuneration to any such counterparty in order to obtain such consent, authorization, approval or licenses to the extent that it would be commercially unreasonable so to do. In the event that the Collateral Agent desires to exercise any remedies, voting or consensual rights or attorney-in-fact powers set forth in this Agreement and determines it necessary to obtain any approvals or consents of any Governmental Authority or any other Person therefor, then, upon the reasonable request of the Collateral Agent, such Pledgor agrees to use its best efforts to assist and aid the Collateral Agent to obtain as soon as practicable any necessary approvals or consents for the exercise of any such remedies, rights and powers.

SECTION 4.16 Pledged Collateral. All information set forth herein, including the schedules annexed hereto, and all information contained in any documents, schedules and lists heretofore delivered to any Secured Party in connection with this Agreement, in each case, relating to the Pledged Collateral, is accurate and complete in all material respects. The Pledged Collateral described on the schedules annexed hereto constitutes all of the property of such type of Pledged Collateral owned or held by the Pledgors required to be scheduled in accordance with the terms of this Agreement.

SECTION 4.17 Insurance; Condemnation.

(i) **Required Insurance Policies and Coverages.** No Pledgor shall take any action that impairs the rights of the Collateral Agent or any Secured Party in the Pledged Collateral and (A) as of the date hereof, the Pledged Collateral and the use, occupancy and operation thereof comply with all Insurance Requirements, and there exists no default under any Insurance Requirement, (B) all premiums due and payable with respect to the Required Insurance Policies have been paid, (C) all Required Insurance Policies are in full force and effect and such Pledgor has not received notice of violation or cancellation thereof and (D) all Required Insurance Policies or Insurance Certificates have been delivered to the Collateral Agent in form satisfactory to the Collateral Agent. Each Pledgor shall at all times keep the Pledged Collateral insured, at such Pledgor's own expense, to the Collateral Agent's satisfaction against fire, theft and all other risks to which the Pledged Collateral may be subject, in such amounts and with such deductibles as would be maintained by a Prudent Operator or as the Collateral Agent may otherwise reasonably require, including the following insurance policies and coverages:

(A) physical hazard insurance on an "all risk" basis covering, hazards commonly covered by fire and extended coverage, lightning, windstorm, civil commotion, hail, riot, water damage, sprinkler leakage, collapse and malicious mischief, in an amount equal to the Full Replacement Cost of the Equipment and Inventory;

(B) commercial general liability insurance against claims for bodily injury, death or property damage occurring on, in or about the Pledged Collateral, and covering any and all claims, including all legal liability to the extent insurable imposed upon the Collateral Agent and all court costs and attorneys' fees, arising out of or connected with the possession, use, leasing, operation or condition of the Pledged Collateral;

(C) explosion insurance in respect of any boilers, machinery and similar apparatus located on or comprising the Equipment and Inventory;

(D) business interruption insurance;

(E) worker's compensation insurance as required by the laws of the state where the Pledged Collateral is located to protect such Pledgor and the Collateral Agent against claims for injuries sustained in the course of employment at the premises of such Pledgor; and

(F) such other insurance against risks as the Collateral Agent may from time to time reasonably require.

(ii) Required Form of Required Insurance Policies. Each Required Insurance Policy described in clause (i) of this Section 4.17 shall provide that:

(A) it may not be modified, reduced, cancelled or otherwise terminated without at least thirty days' prior written notice to the Collateral Agent;

(B) the Collateral Agent is permitted to pay any premium therefor within ten days after receipt of any notice stating that such premium has not been paid when due;

(C) all losses thereunder shall be payable notwithstanding any act or neglect of such Pledgor or its agents or employees which otherwise might have resulted in a forfeiture of all or a part of such insurance payments;

(D) to the extent such Required Insurance Policy constitutes Property Insurance, all losses payable thereunder shall be payable to the Collateral Agent, as loss payee, pursuant to a standard non-contributory New York mortgagee endorsement and shall be in an amount at least sufficient to prevent coinsurance liability; and

(E) with respect to Liability Insurance, the Collateral Agent shall be named as an additional insured.

(iii) Settlements. Settlement of any claim under any of the Required Insurance Policies, if such claim involves any loss in excess of \$250,000 (in the judgment of the Collateral Agent), shall require the prior written approval of the Collateral Agent, and such Pledgor shall cause each such policy to contain a provision to such effect.

(iv) Renewals. At least ten days prior to the expiration of any Required Insurance Policy, such Pledgor shall deliver to the Collateral Agent a Required Insurance Policy or Policies renewing or extending such expiring Required Insurance Policy or Policies, renewal or extension Insurance Certificates or other reasonable evidence of renewal or extension (including a copy of the insurance binder) providing that the Required Insurance Policies are in full force and effect.

(v) Additional Insurance. Such Pledgor shall not purchase separate insurance policies concurrent in form or contributing in the event of loss with those Required Insurance Policies required to be maintained under this Section 4.17, unless the Collateral Agent is included thereon as an additional insured and, if applicable, with loss payable to the Collateral Agent under an endorsement containing the provisions described in clause (ii) of this Section 4.17. Such Pledgor shall immediately notify the Collateral Agent whenever any such separate insurance policy is obtained and shall promptly deliver to the Collateral Agent the Required Insurance Policy or Insurance Certificate evidencing such insurance.

(vi) Blanket Coverage. Such Pledgor may maintain the coverages required by clause (i) of this Section 4.17 under blanket policies covering the Pledged Collateral and other property owned or operated by such Pledgor or an Affiliate of such Pledgor if the terms of such blanket policies otherwise comply with the provisions of clause (i) of this Section 4.17 and contain specific coverage allocations in respect of the Equipment and Inventory complying with the provisions of clause (i) of this Section 4.17.

(vii) Proceeds of Destructions and Taking.

(A) If there shall occur any Destruction, such Pledgor shall promptly send to the Collateral Agent a notice setting forth the nature and extent of such Destruction. If there shall occur any Taking, such Pledgor shall immediately notify the Collateral Agent upon receiving notice of such Taking or commencement of proceedings therefor. The Collateral Agent may participate in any proceedings or negotiations which might result in any Taking, and such Pledgor shall deliver or cause to be delivered to the Collateral Agent all instruments requested by it to permit such participation. The Collateral Agent may be represented by counsel satisfactory to it at the expense of such Pledgor in connection with any such participation. Such Pledgor shall pay all fees, costs and expenses incurred by the Collateral Agent in connection with any Taking and in seeking and obtaining any award or payment on account thereof. The Net Insurance Proceeds and Net Condemnation Awards in an amount in excess of \$10,000,000 are hereby assigned and shall be paid to the Collateral Agent. Such Pledgor shall take all steps necessary to notify the condemning authority of such assignment. All Net Insurance Proceeds and Net Condemnation Awards shall be applied in accordance with the provisions of Sections 4.17(vii)(B) and 4.17(vii)(C).

(B) In the event there shall be a Net Condemnation Award or Net Insurance Proceeds in an amount less than \$10,000,000, such Net Condemnation Award or Net Insurance Proceeds shall be applied in accordance with the provisions of Section 3.5(a)(iv)(A) of the Note Purchase Agreement.

(C) In the event there shall be a Net Condemnation Award or Net Insurance Proceeds in an amount greater than \$10,000,000, the Collateral Agent shall have the option to apply such Net Condemnation Award or Net Insurance Proceeds, as the case may be, to (a) the payment of obligations under the Credit Agreement pursuant to Section 3.02(B)(a) thereof, (b) the repurchase of Notes in accordance with the provisions of Section 3.5(a)(iv)(D) of the Note Purchase Agreement; or (c) to require a Restoration of the Pledged Collateral. In the event a Restoration is to be performed under this Section 4.17(vii)(C), the Collateral Agent shall not release any part of the Net Condemnation Award or Net Insurance Proceeds until such Pledgor has furnished to the Collateral Agent an Officers' Certificate setting forth: (1) a brief description of the repair, rebuilding or replacement to be made and (2) the dollar amount of the expenditures to be made, or costs incurred by such Pledgor. The Collateral Agent shall release such Net Condemnation Award or Net Insurance Proceeds to such Pledgor in accordance with the provisions of Section 8.2(ii). Such Pledgor shall, within fifteen days following the date of its receipt of any proceeds in respect of a Destruction or Taking, as the case may be, commence and diligently continue to perform the Restoration of that portion or portions of the Pledged Collateral subject to such Destruction or affected by such Taking so that, upon the completion of the Restoration, the Pledged Collateral will be substantially in the same condition and shall be of at least substantially equal value and utility for its intended purposes as the Pledged Collateral was immediately prior to such Destruction or Taking. Such Pledgor shall so complete such Restoration with its own funds to the extent that the amount of any Net Condemnation Award or Net Insurance Proceeds is insufficient for such purpose.

(D) In the event that there shall be any surplus after application of the Net Condemnation Award or the Net Insurance Proceeds to Restoration, such surplus shall be applied as Net Cash Proceeds in accordance with Sections 3.5(a)(iv) and 3.5(b)(i) of the Note Purchase Agreement or, at the option of the Collateral Agent, shall be held by the Collateral Agent in the Collateral Account as additional collateral to secure the performance by such Pledgor of the Secured Obligations.

(viii) Delivery After Foreclosure. In the event that the proceeds of any insurance claim are paid after the Collateral Agent has exercised its right to foreclose after an Event of Default such proceeds shall be paid to the Collateral Agent to satisfy any deficiency remaining after such foreclosure. The Collateral Agent shall retain its interest in the Required Insurance Policies during any redemption period.

SECTION 4.18 Payment of Taxes; Compliance with Laws; Contesting Liens; Claims. Each Pledgor represents and warrants that all Charges imposed upon or assessed against the Pledged Collateral have been paid and discharged except to the extent such Charges constitute a Lien not yet due and payable. Each Pledgor shall pay prior to the date on which any penalties would attach thereto all Charges against the Pledged Collateral. Each Pledgor shall comply with all Requirements of Law applicable to the Pledged Collateral the failure to comply with which would have a material adverse effect on the value or use of such Pledged Collateral or the Lien on such Pledged Collateral granted to the Collateral Agent hereunder. Notwithstanding the foregoing, each Pledgor may at its own expense review or contest the validity, amount or applicability of any Charges by appropriate legal or administrative

proceedings, prosecution of which operates to forestall or prevent the collection thereof and the sale or forfeiture of the Pledged Collateral or any part thereof to satisfy the same; provided, however, that (i) any such review or contest shall be conducted in good faith by appropriate proceedings instituted with reasonable promptness and diligently conducted and (ii) in connection with such contest, such Pledgor shall have (A) maintained adequate reserves with respect to such contested Charge on such Pledgor's books in accordance with GAAP, or (B) at the option and upon the request of the Collateral Agent, (x) have deposited with the Collateral Agent a sum sufficient to pay and discharge such Charge and the Collateral Agent's reasonable estimate of all interest and penalties related thereto, (y) properly bonded such amount or (z) obtained a stay of enforcement of any such Lien pending the final determination of such proceeding and (C) in the case of any contested judgment, delivered to Collateral Agent an instrument in which an insurance carrier reasonably acceptable to the Collateral Agent shall have agreed in writing that full insurance coverage (subject to a customary deductible) exists in respect of such contested judgment. Notwithstanding the foregoing provisions of this Section 4.18, (i) no contest of any such obligation may be pursued by such Pledgor if such contest would expose the Collateral Agent or any other Secured Party to (A) any possible criminal liability or (B) any additional civil liability for failure to comply with such obligations, unless such Pledgor shall have furnished a bond or other security therefor satisfactory to the Collateral Agent, or such Secured Party, as the case may be, and (ii) if at any time payment or performance of any obligation contested by such Pledgor pursuant to this Section 4.18 shall become necessary to prevent the imposition of remedies because of non-payment, such Pledgor shall pay or perform the same, in sufficient time to prevent the imposition of remedies in respect of such default or prospective default. Notwithstanding the foregoing, with respect to any Lien or Charge which, if contested pursuant to the provisions of this Section 4.18 would constitute a Contested Lien, Pledgor shall have 30 days from the date of such Pledgor's actual knowledge (or the date such Pledgor reasonably should have known) of the existence of such Lien or Charge to payoff, commence a review of or contest of such Lien or Charge in accordance with the provisions of this Section 4.18 hereof; provided, however, in the event the holder of such Lien or Charge moves for a judgment or seeks to enforce its rights with respect to such Lien or Charge, such Pledgor shall immediately contest such Lien or Charge pursuant to the provisions of this Section 4.18.

SECTION 4.19 Access to Pledged Collateral, Books and Records; Other Information. Upon request to each Pledgor, the Collateral Agent, its agents, accountants and attorneys shall have full and free access to visit and inspect, as applicable, during normal business hours and such other reasonable times as may be requested by the Collateral Agent all of the Pledged Collateral and Mortgaged Property including all of the books, correspondence and records of such Pledgor relating thereto. The Collateral Agent and its representatives may examine the same, take extracts therefrom and make photocopies thereof, and such Pledgor agrees to render to the Collateral Agent, at such Pledgor's cost and expense, such clerical and other assistance as may be reasonably requested by the Collateral Agent with regard thereto. Such Pledgor shall, at any and all times, within a reasonable time after written request by the Collateral Agent, furnish or cause to be furnished to the Collateral Agent, in such manner and in such detail as may be reasonably requested by the Collateral Agent, additional information with respect to the Pledged Collateral.

SECTION 4.20 Benefit to Subsidiary Guarantors. Each Subsidiary Guarantor will receive substantial benefit as a result of the execution, delivery and performance of the Note Documents.

ARTICLE V.
CERTAIN PROVISIONS CONCERNING ACCOUNTS

SECTION 5.1 Special Representations and Warranties. As of the time when each of its Accounts arises, each Pledgor shall be deemed to have represented and warranted that such Account and all records, papers and documents relating thereto (i) are genuine and correct in all material respects, (ii) to the best knowledge of such Pledgor after due and diligent inquiry represent the legal, valid and binding obligation of the account debtor, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or limiting creditors' rights generally or by equitable principles relating to enforceability, evidencing indebtedness unpaid and owed by such account debtor, arising out of the performance of labor or services or the sale or lease and delivery of the merchandise listed therein or out of an advance or a loan, not subject to the fulfillment of any contract or condition whatsoever or to any defenses, set-offs or counterclaims except with respect to refunds, returns and allowances in the ordinary course of business, or stamp or other taxes, (iii) will, in the case of an Account, except for the original or duplicate original invoice sent to a purchaser evidencing such purchaser's account and copies created for general accounting principles, be the only original writings evidencing and embodying such obligation of the account debtor named therein and (iv) are in compliance and conform with all applicable Federal, state and local laws and applicable laws of any relevant foreign jurisdiction.

SECTION 5.2 Maintenance of Records. Each Pledgor shall keep and maintain at its own cost and expense complete records of each Account, in a manner consistent with past prudent business practice, including records of all payments received, all credits granted thereon, all merchandise returned and all other material documentation relating thereto. Each Pledgor shall, at such Pledgor's sole cost and expense, upon the Collateral Agent's demand made at any time after the occurrence and during the continuance of any Event of Default, deliver all tangible evidence of Accounts (including all documents evidencing Accounts), and any books and records relating thereto to the Collateral Agent or to its representatives (copies of which evidence and books and records may be retained by such Pledgor). Upon the occurrence and during the continuance of any Event of Default, the Collateral Agent may transfer a full and complete copy of any Pledgor's books, records, credit information, reports, memoranda and all other writings relating to the Accounts (collectively, the "Account Information") to and for the use by any Person that has acquired or is contemplating acquisition of an interest in the Accounts or the Collateral Agent's security interest therein without the consent of any Pledgor, provided that such Person has agreed to hold such Account Information on a confidential basis, except to the extent such Account Information has been publicly disseminated and except as otherwise required by law.

SECTION 5.3 Legend. Each Pledgor shall legend, at the request of the Collateral Agent made at any time after the occurrence of any Event of Default and in form and manner reasonably satisfactory to the Collateral Agent, the Accounts and the other books, records and documents of such Pledgor evidencing or pertaining to the Accounts with an

appropriate reference to the fact that the Accounts have been assigned to the Collateral Agent for the benefit of the Secured Parties and that the Collateral Agent has a security interest therein.

SECTION 5.4 Modification of Terms, etc. No Pledgor shall rescind or cancel any indebtedness evidenced by any Account or modify in any material respect any material term thereof or make any adjustment with respect thereto except in the ordinary course of business consistent with past prudent business practice, or extend or renew any such indebtedness except in the ordinary course of business consistent with past prudent business practice or compromise or settle any dispute, claim, suit or legal proceeding relating thereto or sell any Account or interest therein without the prior written consent of the Collateral Agent, except to the extent permitted pursuant to Section 5.5 hereof. Each Pledgor shall timely fulfill all obligations on its part to be fulfilled under or in connection with the Accounts.

SECTION 5.5 Collection. Each Pledgor shall, in accordance with prudent business practice, cause to be collected from the account debtor of each of the Accounts, as and when due (including Accounts that are delinquent, such Accounts to be collected in accordance with generally accepted commercial collection procedures), any and all amounts owing under or on account of such Account, and apply forthwith upon receipt thereof all such amounts as are so collected to the outstanding balance of such Account, except that any Pledgor may, with respect to an Account, allow in the ordinary course of business (i) a refund or credit due as a result of returned or damaged or defective merchandise or improperly performed services and (ii) such extensions or renewal of time to pay amounts due in respect of Accounts and such other modifications of payment terms or settlements in respect of Accounts as shall be commercially reasonable in the circumstances, all in accordance with such Pledgor's ordinary course of business consistent with its collection practices as in effect from time to time. The reasonable costs and expenses (including attorneys' fees) of collection, in any case, whether incurred by any Pledgor, the Collateral Agent or any Secured Party, shall be paid by the Pledgors.

SECTION 5.6 Instruments. Upon the occurrence and during the continuance of any Event of Default, if the Collateral Agent so directs, each Pledgor shall deliver to the Collateral Agent, within ten days after receipt thereof by such Pledgor, any Instrument evidencing Accounts. Any Instrument delivered to the Collateral Agent pursuant to this Section 5.6 shall be appropriately endorsed (if applicable) to the order of the Collateral Agent, as agent for the Secured Parties, and shall be held by the Collateral Agent as further security hereunder.

SECTION 5.7 Payment into Lockboxes. Upon the occurrence and during the continuance of any Event of Default, if the Collateral Agent so directs, each Pledgor shall cause all payments in respect of the Accounts to be deposited into Lockboxes and otherwise comply with the provisions of Section 8.4. The costs and expenses (including reasonable attorneys' fees) of collection, whether incurred by the Collateral Agent or any Secured Party, shall be paid by the Pledgors.

ARTICLE VI.
CERTAIN PROVISIONS CONCERNING SECURITIES COLLATERAL

SECTION 6.1 Pledge of Additional Securities Collateral. After the date hereof, each Pledgor shall, upon obtaining any Pledged Securities or Intercompany Notes of any Person, accept the same in trust for the benefit of the Collateral Agent and promptly (and in any event within five Business Days) deliver to the Collateral Agent a pledge amendment, duly executed by such Pledgor, in substantially the form of Exhibit 2 (each, a "Pledge Amendment"), and the certificates and other documents required under Section 3.1 and Section 3.2 in respect of the additional Pledged Securities or Intercompany Notes which are to be pledged pursuant to this Agreement, which, in each case, confirms the attachment of the Lien hereby created on and in respect of such additional Pledged Securities or Intercompany Notes. Each Pledgor hereby authorizes the Collateral Agent to attach each Pledge Amendment to this Agreement and agrees that all Pledged Securities or Intercompany Notes listed on any Pledge Amendment delivered to the Collateral Agent shall for all purposes hereunder be considered Pledged Collateral. If any securities now or hereafter acquired by any Pledgor constituting Investment Property are uncertificated and are issued to such Pledgor or its nominee directly by the issuer thereof, such Pledgor shall immediately notify the Collateral Agent thereof and pursuant to an agreement in form and substance satisfactory to the Collateral Agent, either (a) cause the issuer to agree to comply with instructions from the Collateral Agent as to such securities, without further consent of any Pledgor or such nominee by executing the Issuer Acknowledgement in the form of Exhibit 1 hereto, or (b) arrange for the Collateral Agent to become the registered owner of the securities.

SECTION 6.2 Voting Rights; Distributions; etc.

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

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

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

(C) The Collateral Agent shall be deemed without further action or formality to have granted to each Pledgor all necessary consents relating to voting rights and shall, upon written request of any Pledgor and at the sole cost and expense of the Pledgors, from time to time execute and deliver (or cause to be executed and delivered) to such Pledgor all such instruments as such Pledgor may reasonably request in order to permit such Pledgor to exercise the voting and other rights which it is entitled to exercise pursuant to Section 6.2(i)(A) and to receive the Distributions which it is authorized to receive and retain pursuant to Section 6.2(i)(B).

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

(A) Upon notice by the Collateral Agent to each Pledgor, all rights of each Pledgor to exercise the voting and other consensual rights it would otherwise be entitled to exercise pursuant to Section 6.2(i)(A) shall cease, and all such rights shall thereupon become vested in the Collateral Agent, which shall thereupon have the sole right to exercise such voting and other consensual rights.

(B) All rights of each Pledgor to receive Distributions which it would otherwise be authorized to receive and retain pursuant to Section 6.2(i)(B) shall cease and all such rights shall thereupon become vested in the Collateral Agent, which shall thereupon have the sole right to receive and hold as Pledged Collateral such Distributions.

(iii) Each Pledgor shall, at its sole cost and expense, from time to time execute and deliver to the Collateral Agent appropriate instruments as the Collateral Agent may request in order to permit the Collateral Agent to exercise the voting and other rights which it may be entitled to exercise pursuant to Section 6.2(ii)(A) and to receive all Distributions which it may be entitled to receive under Section 6.2(ii)(B).

(iv) All Distributions which are received by any Pledgor contrary to the provisions of Section 6.2(ii)(B) shall be received in trust for the benefit of the Collateral Agent, shall be segregated from other funds of such Pledgor and shall immediately be paid over to the Collateral Agent as Pledged Collateral substantially in the same form as so received (with any necessary endorsement).

SECTION 6.3 No New Securities. Except to the extent otherwise permitted under Article IX, each Pledgor shall cause each issuer of the Pledged Securities which it controls not to issue any stock or other securities or equity interests in addition to or in substitution for the Pledged Securities issued by such issuer, except to such Pledgor.

SECTION 6.4 Operative Agreements. Each Pledgor has delivered to the Collateral Agent true, correct and complete copies of the Operative Agreements. The Operative Agreements are in full force and effect, have not as of the date hereof been amended or modified except as disclosed to the Collateral Agent, and there is no existing default by any party thereunder or any event which, with the giving of notice of passage of time or both, would constitute a default by any party thereunder. Each Pledgor shall deliver to the Collateral Agent a copy of any notice of default given or received by it under any Operative Agreement within ten

days after such Pledgor gives or receives such notice. No Pledgor will terminate or agree to terminate any Operative Agreement or make any amendment or modification to any Operative Agreement which may have a material adverse effect on the value of the Pledged Securities and Distributions relating thereto or the Lien and security intended to be granted to the Collateral Agent hereunder.

SECTION 6.5 Defaults, etc. Such Pledgor is not in default in the payment of any portion of any mandatory capital contribution, if any, required to be made under any agreement to which such Pledgor is a party relating to the Pledged Securities pledged by it, and such Pledgor is not in violation of any other provisions of any such agreement to which such Pledgor is a party, or otherwise in default or violation thereunder. No Securities Collateral pledged by such Pledgor, to such Pledgor's knowledge after due and diligent inquiry, is subject to any defense, offset or counterclaim, nor have any of the foregoing been asserted or alleged against such Pledgor by any Person with respect thereto, and as of the date hereof, there are no certificates, instruments, documents or other writings (other than the Operative Agreements and certificates, if any, delivered to the Collateral Agent) which evidence any Pledged Securities of such Pledgor.

SECTION 6.6 Certain Agreements of Pledgors As Issuers and Holders of Equity Interests.

(i) In the case of each Pledgor which is an issuer of Securities Collateral, such Pledgor agrees to be bound by the terms of this Agreement relating to the Securities Collateral issued by it and will comply with such terms insofar as such terms are applicable to it.

(ii) In the case of each Pledgor which is a partner in a partnership, limited liability company or other entity, such Pledgor hereby consents to the extent required by the applicable Operative Agreement to the pledge by each other Pledgor, pursuant to the terms hereof, of the Pledged Interests in such partnership, limited liability company or other entity and, upon the occurrence and during the continuance of an Event of Default, to the transfer of such Pledged Interests to the Collateral Agent or its nominee and to the substitution of the Collateral Agent or its nominee as a substituted partner or member in such partnership, limited liability company or other entity with all the rights, powers and duties of a general partner or a limited partner or member, as the case may be.

ARTICLE VII.
**CERTAIN PROVISIONS CONCERNING INTELLECTUAL
PROPERTY COLLATERAL**

SECTION 7.1 Grant of License. For the purpose of enabling the Collateral Agent, during the continuance of an Event of Default, to exercise rights and remedies under Article X hereof at such time as the Collateral Agent shall be lawfully entitled to exercise such rights and remedies, and for no other purpose, each Pledgor hereby grants to the Collateral Agent, to the extent assignable, an irrevocable, non-exclusive license (exercisable without payment of royalty or other compensation to such Pledgor) to use, assign, license or sublicense any of the Intellectual Property Collateral now owned or hereafter acquired by such Pledgor,

wherever the same may be located, including in such license access to all media in which any of the licensed items may be recorded or stored and to all computer programs used for the compilation or printout hereof.

SECTION 7.2 Registrations. Except pursuant to licenses and other user agreements entered into by any Pledgor in the ordinary course of business that are listed in Schedule 1.1(f), on and as of the date hereof (i) each Pledgor owns and possesses the right to use, and has done nothing to authorize any other Person to use, any Copyright, Patent or Trademark listed in Schedules 1.1(a), 1.1(g) and 1.1(i), and (ii) all registrations listed in Schedules 1.1(a), 1.1(g) and 1.1(i) are valid and in full force and effect.

SECTION 7.3 No Violations or Proceedings. To each Pledgor's knowledge, on and as of the date hereof, (i) except as set forth in Schedule 7.3, there is no violation by others of any right of such Pledgor with respect to any Copyright, Patent or Trademark listed in Schedules 1.1(a), 1.1(g) and 1.1(i), respectively, pledged by it under the name of such Pledgor, (ii) such Pledgor is not infringing upon any Copyright, Patent or Trademark of any other Person and (iii) no proceedings have been instituted or are pending against such Pledgor or, to such Pledgor's knowledge, threatened, and no claim against such Pledgor has been received by such Pledgor, alleging any such violation, except as may be set forth in Schedule 7.3.

SECTION 7.4 Protection of Collateral Agent's Security. On a continuing basis, each Pledgor shall, at its sole cost and expense, (i) promptly following its becoming aware thereof, notify the Collateral Agent of (A) any adverse determination in any proceeding in the United States Patent and Trademark Office or the United States Copyright Office with respect to any Patent, Trademark or Copyright or (B) the institution of any proceeding or any adverse determination in any Federal, state or local court or administrative body regarding such Pledgor's claim of ownership in or right to use any of the Intellectual Property Collateral, its right to register the Intellectual Property Collateral or its right to keep and maintain such registration in full force and effect, (ii) maintain and protect the Intellectual Property Collateral necessary for the operation of such Pledgor's business as presently conducted and as contemplated by the Note Purchase Agreement, (iii) not permit to lapse or become abandoned any Intellectual Property Collateral necessary for the operation of such Pledgor's business as presently conducted and as contemplated by the Note Purchase Agreement, and not settle or compromise any pending or future litigation or administrative proceeding with respect to the Intellectual Property Collateral necessary for the operation of such Pledgor's business, in each case, without the consent of the Collateral Agent, (iv) upon such Pledgor obtaining knowledge thereof, promptly notify the Collateral Agent in writing of any event which may be expected to adversely affect the value or utility of the Intellectual Property Collateral or any portion thereof necessary for the operation of such Pledgor's business, the ability of such Pledgor or the Collateral Agent to dispose of the Intellectual Property Collateral or any portion thereof or the rights and remedies of the Collateral Agent in relation thereto including a levy or threat of levy or any legal process against the Intellectual Property Collateral or any portion thereof, (v) not license the Intellectual Property Collateral other than licenses entered into by such Pledgor in, or incidental to, the ordinary course of business, or amend or permit the amendment of any of the licenses in a manner that adversely affects the right to receive payments thereunder, or in any manner that would impair the value of the Intellectual Property Collateral or the Lien on and security interest in the Intellectual Property Collateral intended to be granted to the Collateral Agent for the benefit of

the Secured Parties, without the consent of the Collateral Agent, (vi) until the Collateral Agent exercises its rights to make collection, diligently keep adequate records respecting the Intellectual Property Collateral and (vii) furnish to the Collateral Agent from time to time detailed statements and amended schedules further identifying and describing the Intellectual Property Collateral and such other materials evidencing or reports pertaining to the Intellectual Property Collateral as the Collateral Agent may from time to time request. Notwithstanding anything in this Section 7.4 to the contrary, no Pledgor shall be obligated to maintain, protect or not permit to lapse any Intellectual Property Collateral that such Pledgor determines in its reasonable business judgment is no longer necessary or desirable in the operation of such Pledgor's business.

SECTION 7.5 After-Acquired Property. If any Pledgor shall, at any time before the Secured Obligations have been paid in full (i) obtain any rights to any additional Intellectual Property Collateral or (ii) become entitled to the benefit of any additional Intellectual Property Collateral or any renewal or extension thereof, including any reissue, division, continuation, or continuation-in-part of any Intellectual Property Collateral, or any improvement on any Intellectual Property Collateral, the provisions hereof shall automatically apply thereto and any such item enumerated in clause (i) or (ii) of this Section 7.5 with respect to such Pledgor shall automatically constitute Intellectual Property Collateral if such would have constituted Intellectual Property Collateral at the time of execution hereof and be subject to the Lien and security interest created by this Agreement without further action by any party. Each Pledgor shall (i) provide to the Collateral Agent written notice of any additional registrations, patents or applications for registrations obtained or filed by such Pledgor, on a semi-annual basis (or more frequently as reasonably requested by Collateral Agent) and (ii) at Collateral Agent's request, confirm the attachment of the Lien and security interest created by this Agreement to any rights described in clauses (i) and (ii) of the immediately preceding sentence of this Section 7.5 by execution of an instrument in form acceptable to the Collateral Agent.

SECTION 7.6 Modifications. Each Pledgor authorizes the Collateral Agent to modify this Agreement by amending Schedules 1.1(a), 1.1(f), 1.1(g) and 1.1(i) to include any Intellectual Property Collateral acquired or arising after the date hereof of such Pledgor including any of the items listed in Section 7.5.

SECTION 7.7 Applications. Each Pledgor shall file and prosecute diligently all applications for the Patents, Trademarks or Copyrights now or hereafter pending that would be necessary to the operation of such Pledgor's business as presently conducted and as contemplated by the Note Purchase Agreement to which any such applications pertain, and shall do all acts necessary to preserve and maintain all rights in the Intellectual Property Collateral necessary to the operation of such Pledgor's business as presently conducted and as contemplated by the Note Purchase Agreement. Any and all costs and expenses incurred in connection with any such actions shall be borne by the Pledgors. No Pledgor shall abandon any right to file a Patent, Trademark or Copyright application, or any pending Patent, Trademark or Copyright application or any Patent, Trademark or Copyright necessary for the operation of such Pledgor's business as presently conducted and as contemplated by the Note Purchase Agreement without the consent of the Collateral Agent. Notwithstanding anything in this Section 7.7 to the contrary, no Pledgor shall be obligated to file, prosecute, preserve or maintain any Patents,

Trademarks or Copyrights that such Pledgor determines in its reasonable business judgment to no longer be necessary or desirable in the operation of such Pledgor's business.

SECTION 7.8 Litigation.

(i) Unless there shall occur and be continuing any Event of Default, each Pledgor shall have the right to commence and prosecute in its own name, as the party in interest, for its own benefit and at the sole cost and expense of the Pledgors, such applications for protection of the Intellectual Property Collateral and suits, proceedings or other actions to prevent the infringement, counterfeiting, unfair competition, dilution, diminution in value or other damage as are necessary to protect the Intellectual Property Collateral. Each Pledgor shall promptly notify the Collateral Agent in writing as to the commencement and prosecution of any such actions, or threat thereof relating to the Intellectual Property Collateral, and shall provide to the Collateral Agent such information with respect thereto as may be requested by the Collateral Agent. In accordance with Section 12.4 each Pledgor shall indemnify and hold harmless each Indemnitee from and against all Indemnified Liabilities which may be imposed on, incurred by or asserted against such Indemnitee in connection with or in any way arising out of the suits, proceedings or other actions contemplated in this Section 7.8(i).

(ii) Upon the occurrence and during the continuance of any Event of Default, the Collateral Agent shall have the right but shall in no way be obligated to file applications for protection of the Intellectual Property Collateral and/or bring suit in the name of any Pledgor, the Collateral Agent or the Secured Parties to enforce the Intellectual Property Collateral and any license thereunder. In the event of such suit, each Pledgor shall, at the request of the Collateral Agent, do any and all lawful acts and execute any and all documents requested by the Collateral Agent in aid of such enforcement and the Pledgors shall promptly reimburse and indemnify the Collateral Agent, as the case may be, for all costs and expenses incurred by the Collateral Agent in the exercise of its rights under this Section 7.8 in accordance with Section 12.3. In the event that the Collateral Agent shall elect not to bring suit to enforce the Intellectual Property Collateral, each Pledgor agrees, at the request of the Collateral Agent, to take all actions reasonably necessary, whether by suit, proceeding or other action, to prevent the infringement, counterfeiting, unfair competition, dilution, diminution in value of or other damage to any of the Intellectual Property Collateral by others and for that purpose agrees to diligently maintain any suit, proceeding or other action against any Person so infringing necessary to prevent such infringement.

ARTICLE VIII.

**CERTAIN PROVISIONS CONCERNING DESIGNATED
ACCOUNTS, COLLATERAL ACCOUNT AND COLLECTION OF ACCOUNTS**

SECTION 8.1 Designated Accounts

(i) Each Pledgor hereby represents and warrants that it does not now maintain any Deposit Account, Securities Account or Commodity Account other than the accounts listed in Schedule 1.1(b) and Schedule 8.1. Each Pledgor hereby represents and warrants

that it does not now maintain, and will not in the future maintain, any other Deposit Accounts, Securities Account or Commodity Account (except in accordance with the provisions of this Article VIII) with any Bank, Securities Intermediary, Commodity Intermediary, or any other banking or financial institution other than a Designated Account subject to a Control Agreement; provided, however, that any Pledgor may establish and maintain additional financial accounts with any Qualified Intermediary or any new banking or financial institution if (A) in the case of an existing Qualified Intermediary, such Pledgor, such Qualified Intermediary and the Collateral Agent shall have entered into an amendment to the relevant Control Agreement to include such new Designated Account under such amendment in form and substance reasonably satisfactory to the Collateral Agent, and (B) in the case of a new banking or financial institution, (1) the applicable Pledgor shall have given the Collateral Agent 15 days' prior written notice of its intention to establish such new financial account with such new banking or financial institution, (2) such new banking or financial institution shall be reasonably acceptable to the Collateral Agent and (3) such new banking or financial institution shall enter into a Control Agreement, with such changes to such Control Agreement as may be reasonably acceptable to the Collateral Agent; and provided, further, that, notwithstanding the foregoing, without complying with the provisions of this Article VIII, the Pledgors may maintain (x) the accounts listed in Schedule 8.1 and (y) any other accounts so long as the average daily balance of such accounts does not exceed \$100,000 in the aggregate. Upon compliance with the provisions of clause (B) of the immediately preceding sentence, such new banking or financial institution shall constitute a "Qualified Intermediary" hereunder. Each Pledgor has, prior to or contemporaneously with the execution and delivery hereof, entered into a Control Agreement with each currently existing Bank, Securities Intermediary or Commodity Intermediary.

(ii) Each Pledgor hereby represents and warrants that subject to the execution of the Control Agreements with respect to each Designated Account that is a Deposit Account, the Collateral Agent has a perfected second priority security interest for the benefit of the Secured Parties in such Deposit Accounts subject only to the security interest securing Obligations (as defined in the Credit Agreement). The Collateral Agent agrees with each Pledgor that the Collateral Agent shall not give any instructions directing the disposition of funds from time to time credited to any Deposit Account or withhold any withdrawal rights from such Pledgor with respect to funds from time to time credited to any Deposit Account unless an Event of Default has occurred and is continuing, or, after giving effect to any withdrawal that would occur. No Pledgor shall grant Control of any Deposit Account to any Person other than the Collateral Agent until this Agreement has terminated pursuant to Section 12.6.

(iii) Each Pledgor hereby acknowledges and agrees that each Qualified Securities Intermediary constitutes a "securities intermediary" under the UCC and each Qualified Commodity Intermediary constitutes a "commodity intermediary" under the UCC for such Pledgor. Each Pledgor hereby acknowledges and agrees that notwithstanding any provisions hereof or any other circumstance to the contrary, the Collateral Agent shall at all times (A) have "control" (as defined in Section 8-106 of the UCC) of the Investment Collateral, as confirmed in the Control Agreement, and (B) be

authorized to direct the Qualified Securities Intermediary to comply with, and without further consent of any Pledgor or any investment manager or any other person acting or purporting to act for any Pledgor, the Qualified Securities Intermediary shall comply with, all Entitlement Orders originated by the Collateral Agent with respect to the Investment Collateral. The Collateral Agent hereby agrees that it shall not issue any Entitlement Orders to the Qualified Securities Intermediary in respect of the Investment Collateral except in connection with the Collateral Agent's exercise of remedies upon the occurrence of an Event of Default.

(iv) So long as no Event of Default has occurred and is continuing, each Pledgor may, to the extent not inconsistent with the other provisions hereof or the provisions of the Note Purchase Agreement:

(A) trade, sell, exchange, lend, transfer or otherwise direct the disposition of any and all securities, instruments, documents and other property deposited in a Designated Account; and

(B) receive and retain, free of all right, title and interest of Collateral Agent, all interest and dividend payments made in respect of the Investment Collateral and exercise any voting rights with respect thereto.

(v) As between the Collateral Agent and the Pledgors, the Pledgors shall bear the investment risk with respect to the Investment Collateral, and the risk of loss of, damage to, or the destruction of the Investment Collateral, whether in the possession of, or maintained as a security entitlement by, or subject to the control of, the Collateral Agent, a Qualified Intermediary, the Pledgor or any other Person; provided, however, that nothing contained in this Section 8.1(iv) shall release or relieve any Qualified Intermediary of its duties and obligations to the Pledgors or any other Person under the Control Agreement or under applicable law. Each Pledgor shall promptly pay all Charges and fees of whatever kind or nature with respect to the Investment Collateral pledged by it or this Agreement. In the event any Pledgor shall fail to make such payment contemplated in the immediately preceding sentence, the Collateral Agent may do so for the account of such Pledgor and the Pledgors shall promptly reimburse and indemnify the Collateral Agent from all costs and expenses incurred by the Collateral Agent under this Section 8.1(iv) in accordance with Section 12.3.

SECTION 8.2 Collateral Account.

(i) Deposits into Collateral Account. Each Pledgor shall deposit into the Collateral Account from time to time (A) the cash proceeds of any of the Pledged Collateral or any Mortgaged Property (including pursuant to any disposition thereof other than dispositions permitted by Section 8.16 of the Note Purchase Agreement), (B) the cash proceeds of any Taking or Destruction in excess of \$10,000,000 or loss of title with respect to any Pledged Collateral or Mortgaged Property in accordance with Section 4.17(vii)(C) or (D), (C) any cash in respect of any Pledged Collateral to which the Collateral Agent is entitled pursuant to Section 6.2(ii), (D) any other amounts such Pledgor is required to pledge as additional collateral security hereunder pursuant to the

Note Documents and (E) any other amounts that such Pledgor desires to pledge to the Collateral Agent for the benefit of the Secured Parties as additional collateral security hereunder.

(ii) Application of Amounts in Collateral Account. The balance from time to time in the Collateral Account shall constitute part of the Pledged Collateral hereunder and shall not constitute payment of the Secured Obligations until applied as hereinafter provided. So long as no Event of Default has occurred and is continuing or will result therefrom, the Collateral Agent shall within two Business Days of receiving a request of such Pledgor for release of cash proceeds from the Collateral Account remit the cash proceeds on deposit in the Collateral Account to or upon the order of such Pledgor, in periodic installments, if applicable, so long as such Pledgor has (A) with respect to any Pledged Collateral, satisfied the conditions relating thereto set forth in Section 4.17(vii)(C) and (B) with respect to any Mortgaged Property, satisfied the conditions relating thereto set forth in Article X of such Mortgage. At any time following the occurrence and during the continuance of an Event of Default, the Collateral Agent may (and, if instructed by the Requisite Noteholders as specified in the Note Purchase Agreement, shall) in its (or their) discretion (i) apply or cause to be applied (subject to collection) the balance from time to time outstanding to the credit of the Collateral Account to the payment of the Secured Obligations in the manner specified in Article XI hereof (subject, however, in the case of amounts deposited pursuant to Section 8.3 of the First Priority Security Agreement, to the provisions of such Section) and (ii) subject to the consent of the Collateral Agent, remit such cash proceeds on deposit in the Collateral Account to or for the account of such Pledgor. To the extent any proceeds are deposited in the Collateral Account in accordance with Section 8.5, upon such time as such Pledgor shall have cured the Event of Default giving rise to the obligation to pledge such proceeds, the Collateral Agent shall within two Business Days of receiving a request of such Pledgor for release of cash proceeds from the Collateral Account remit the cash proceeds on deposit in the Collateral Account to or upon the order of such Pledgor. The balance from time to time in the Collateral Account shall be subject to withdrawal only as provided herein.

(iii) Investment of Balance in Collateral Account. Amounts on deposit in the Collateral Account shall be invested from time to time in such Cash Equivalents as the respective Pledgor (or, after the occurrence and during the continuance of an Event of Default, the Collateral Agent) shall determine, which Cash Equivalents shall be held under the control of the Collateral Agent (or any sub-agent); provided, however, that at any time after the occurrence and during the continuance of an Event of Default, the Collateral Agent may (and, if instructed by the Requisite Holders as specified in the Note Purchase Agreement, shall) in its (or their) discretion at any time and from time to time elect to liquidate any such Cash Equivalents and to apply or cause to be applied the proceeds thereof to the payment of the Secured Obligations in the manner specified in Article XI hereof.

SECTION 8.3 Intentionally Omitted.

SECTION 8.4 Collection of Accounts.

(i) Lockboxes. Upon the occurrence and during the continuation of any Event of Default, if Collateral Agent so directs, each Pledgor shall maintain one or more lockboxes (the "Lockboxes") with a Lockbox Bank and shall irrevocably instruct all account debtors on all of the Accounts of such Pledgor, all agents for the collection of Accounts and all issuers or obligors under letters of credit or other documents supporting Accounts to remit all Collections to such Lockboxes; provided, that so long as such Event of Default shall no longer be continuing, no Pledgor shall have any obligations pursuant to this Section 8.4 and shall not be required to maintain any Lockboxes. Each Pledgor, the Collateral Agent and each of the financial institutions selected by such Pledgor and acceptable to the Collateral Agent (each, a "Lockbox Bank" and, collectively, the "Lockbox Banks") shall enter into Lockbox Agreements, which among other things shall provide for the opening of an account for the deposit of Collections (each, a "Collection Account" and, collectively, the "Collection Accounts") at a Lockbox Bank. Each Pledgor shall maintain separate and distinct Lockboxes and Collection Accounts and the Lockboxes and Collection Accounts of each Pledgor will be clearly identified as the Lockbox and Collection Accounts of such Pledgor and no other Person, including no other Pledgor. Such amounts shall be so deposited on a daily basis. All Collections and other amounts received by or on behalf of each such Pledgor from any account debtor, agent or credit support party shall be held in trust for the benefit of the Collateral Agent and shall be deposited into the Collection Account of such Pledgor within three Business Days after such Pledgor's receipt thereof. Such arrangements shall not be modified or terminated without the prior written consent of the Collateral Agent.

(ii) Lockbox Concentration Account. Upon the terms and subject to the conditions set forth in the Lockbox Agreements, all good funds held in each Collection Account shall be wired each Business Day into a separate account for each such Pledgor (each, a "Lockbox Concentration Account") maintained by the Collateral Agent. Each Pledgor shall accurately report all amounts deposited in the Collection Accounts to ensure the proper transfer of funds as set forth above. Each Pledgor acknowledges and agrees that, (A) pursuant to the Lockbox Agreements executed and delivered by such Pledgor it has irrevocably directed the Lockbox Banks to transfer no later than 2:00 P.M. (New York time) each Business Day all available funds, investments, money, cash, Instruments, securities, rights, Proceeds and other property and amounts contained in their respective Collection Accounts into the Lockbox Concentration Account established for such Pledgor hereunder and (B) the Collateral Agent shall have exclusive dominion and control of the Lockbox Concentration Accounts. If any Pledgor receives directly any remittance or payments notwithstanding the arrangements for payments directly into Collection Accounts (as provided for in the Lockbox Agreements), such Pledgor shall hold such remittance and payments in trust for the Collateral Agent, and shall deposit such amounts into its respective Lockbox Concentration Account within three Business Days after such Pledgor's receipt thereof.

(iii) Treatment of Lockbox Concentration Account. Upon the occurrence and during the continuance of any Event of Default, all deposits maintained in the Lockbox Concentration Accounts, and any additional moneys and other property subsequently

maintained with any Lockbox Bank, shall be transferred to the Collateral Account. All such deposits in the Collateral Account shall be held by the Collateral Agent as Pledged Collateral for the Secured Obligations or applied to the payment of the Secured Obligations in accordance with Article XI hereof. The costs and expenses (including attorney's fees) of collection, whether incurred by any Pledgor or the Collateral Agent (or any sub-agent), shall be borne by the Pledgors.

SECTION 8.5 Deposits. Upon the occurrence and during the continuation of any Event of Default, if the Collateral Agent, so directs, any funds, investments, money, cash instruments, securities, rights, proceeds and other property and amounts deposited with a financial institution other than a Lockbox Bank shall be deposited into the Collateral Account.

ARTICLE IX. TRANSFERS AND OTHER LIENS

No Pledgor shall (i) sell, convey, assign or otherwise dispose of, or grant any option with respect to, any of the Pledged Collateral pledged by it hereunder except as permitted by the Note Purchase Agreement or this Agreement, (ii) create or permit to exist any Lien upon or with respect to any of the Pledged Collateral pledged by it hereunder other than Permitted Collateral Liens (or otherwise permitted pursuant to Section 4.18) or (iii) permit any issuer of the Pledged Securities to merge, consolidate or change its legal form, unless (A) all of the outstanding equity interests of the surviving or resulting entity are, upon such merger or consolidation, pledged hereunder and no cash, securities or other property is distributed in respect of the outstanding equity interests of any other entity that was merged into or consolidated with such issuer and (B) such Pledgor shall have complied with the applicable provisions of the Note Purchase Agreement.

ARTICLE X. EVENTS OF DEFAULT AND REMEDIES

SECTION 10.1 Remedies. Upon the occurrence and during the continuance of any Event of Default, the Collateral Agent may, in accordance with the Note Purchase Agreement, from time to time exercise in respect of the Pledged Collateral, in addition to the other rights and remedies provided for herein or otherwise available to it:

(i) Personally, or by agents or attorneys, immediately take possession of the Pledged Collateral or any part thereof, from any Pledgor or any other Person who then has possession of any part thereof with or without notice or process of law, and for that purpose may enter upon any Pledgor's premises where any of the Pledged Collateral is located, remove such Pledged Collateral, remain present at such premises to receive copies of all communications and remittances relating to the Pledged Collateral and use in connection with such removal and possession any and all services, supplies, aids and other facilities of any Pledgor;

(ii) Demand, sue for, collect or receive any money or property at any time payable or receivable in respect of the Pledged Collateral including instructing the obligor or obligors on any agreement, instrument or other obligation constituting part of

the Pledged Collateral to make any payment required by the terms of such agreement, instrument or other obligation directly to the Collateral Agent, and in connection with any of the foregoing, compromise, settle, extend the time for payment and make other modifications with respect thereto; provided, however, that in the event that any such payments are made directly to any Pledgor, prior to receipt by any such obligor of such instruction, such Pledgor shall segregate all amounts received pursuant thereto in trust for the benefit of the Collateral Agent and shall promptly (but in no event later than one Business Day after receipt thereof) deposit such amounts into the Collateral Account;

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

(iv) Take possession of the Pledged Collateral or any part thereof, by directing any Pledgor in writing to deliver the same to the Collateral Agent at any place or places so designated by the Collateral Agent, in which event such Pledgor shall at its own expense: (A) forthwith cause the same to be moved to the place or places designated by the Collateral Agent and there delivered to the Collateral Agent, (B) store and keep any Pledged Collateral so delivered to the Collateral Agent at such place or places pending further action by the Collateral Agent and (C) while the Pledged Collateral shall be so stored and kept, provide such security and maintenance services as shall be necessary to protect the same and to preserve and maintain them in good condition. Each Pledgor's obligation to deliver the Pledged Collateral as contemplated in this Section 10.1(iv) is of the essence hereof. Upon application to a court of equity having jurisdiction, the Collateral Agent shall be entitled to a decree requiring specific performance by any Pledgor of such obligation;

(v) Withdraw all moneys, instruments, securities and other property in any bank, financial, securities, deposit or other account of any Pledgor constituting Pledged Collateral (including, without limitation, the accounts contemplated in Article VIII hereof) for application to the Secured Obligations as provided in Article XI;

(vi) Retain and apply the Distributions to the Secured Obligations as provided in Article XI;

(vii) Exercise any and all rights as beneficial and legal owner of the Pledged Collateral, including perfecting assignment of and pursuant to Section 6.2(ii) exercising any and all voting, consensual and other rights and powers with respect to any Pledged Collateral; and

(viii) all the rights and remedies of a secured party on default under the UCC, and the Collateral Agent may also in its sole discretion, without notice except as specified in Section 10.2, sell, assign or grant a license to use the Pledged Collateral or any part thereof in one or more parcels at public or private sale, at any exchange, broker's board or at any of the Collateral Agent's offices or elsewhere, for cash, on credit or for future delivery, and at such price or prices and upon such other terms as the Collateral Agent

may deem commercially reasonable. The Collateral Agent or any other Secured Party or any of their respective Affiliates may, to the extent permitted by law, be the purchaser, licensee, assignee or recipient of any or all of the Pledged Collateral at any such sale and shall be entitled, for the purpose of bidding and making settlement or payment of the purchase price for all or any portion of the Pledged Collateral sold, assigned or licensed at such sale, to use and apply any of the Secured Obligations owed to such Person as a credit on account of the purchase price of any Pledged Collateral payable by such Person at such sale. Each purchaser, assignee, licensee or recipient at any such sale shall acquire the property sold, assigned or licensed absolutely free from any claim or right on the part of any Pledgor, and each Pledgor hereby waives, to the fullest extent permitted by law, all rights of redemption, stay and/or appraisal which it now has or may at any time in the future have under any rule of law or statute now existing or hereafter enacted. The Collateral Agent shall not be obligated to make any sale of Pledged Collateral regardless of notice of sale having been given. The Collateral Agent may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned. Each Pledgor hereby waives, to the fullest extent permitted by law, any claims against the Collateral Agent arising by reason of the fact that the price at which any Pledged Collateral may have been sold, assigned or licensed at such a private sale was less than the price which might have been obtained at a public sale, even if the Collateral Agent accepts the first offer received and does not offer such Pledged Collateral to more than one offeree.

SECTION 10.2 Notice of Sale. Each Pledgor acknowledges and agrees that, to the extent notice of sale or other disposition of Pledged Collateral shall be required by law, ten days' notice to such Pledgor of the time and place of any public sale or of the time after which any private sale or other intended disposition is to take place shall be commercially reasonable notification of such matters. No notification need be given to any Pledgor if it has signed, after the occurrence of an Event of Default, a statement renouncing or modifying any right to notification of sale or other intended disposition.

SECTION 10.3 Waiver of Notice and Claims. Except as otherwise provided in this agreement, each Pledgor hereby waives, to the fullest extent permitted by applicable law, notice or judicial hearing in connection with the Collateral Agent's taking possession or the Collateral Agent's disposition of any of the Pledged Collateral, including any and all prior notice and hearing for any prejudgment remedy or remedies and any such right which such Pledgor would otherwise have under law, and each Pledgor hereby further waives, to the fullest extent permitted by applicable law: (i) all damages occasioned by such taking of possession, except any damages which are the result of the Collateral Agent's bad faith, gross negligence or willful misconduct, (ii) all other requirements as to the time, place and terms of sale or other requirements with respect to the enforcement of the Collateral Agent's rights hereunder and (iii) all rights of redemption, appraisal, valuation, stay, extension or moratorium now or hereafter in force under any applicable law. The Collateral Agent shall not be liable for any incorrect or improper payment made pursuant to this Article X in the absence of bad faith, gross negligence or willful misconduct. Any sale of, or the grant of options to purchase, or any other realization upon, any Pledged Collateral shall operate to divest all right, title, interest, claim and demand, either at law or in equity, of the applicable Pledgor therein and thereto, and shall be a perpetual

bar both at law and in equity against such Pledgor and against any and all Persons claiming or attempting to claim the Pledged Collateral so sold, optioned or realized upon, or any part thereof, from, through or under such Pledgor.

SECTION 10.4 Certain Sales of Pledged Collateral.

(i) Each Pledgor recognizes that, by reason of certain prohibitions contained in law, rules, regulations or orders of any Governmental Authority, the Collateral Agent may be compelled, with respect to any sale of all or any part of the Pledged Collateral, to limit purchasers to those who meet the requirements of such Governmental Authority. Each Pledgor acknowledges that any such sales may be at prices and on terms less favorable to the Collateral Agent than those obtainable through a public sale without such restrictions, and, notwithstanding such circumstances, agrees that any such restricted sale shall be deemed to have been made in a commercially reasonable manner and that, except as may be required by applicable law, the Collateral Agent shall have no obligation to engage in public sales.

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

(iii) Notwithstanding the foregoing, each Pledgor shall, upon acceleration of the amounts due under the Notes, Note Purchase Agreement and other Note Documents pursuant to Section 12.2 of the Note Purchase Agreement, at the request of the Collateral Agent, for the benefit of the Collateral Agent, cause any registration, qualification under or compliance with any Federal or state securities law or laws to be effected with respect to all or any part of the Securities Collateral as soon as practicable and at the sole cost and expense of the Pledgors. Each Pledgor will use its best efforts to cause such registration to be effected (and be kept effective) and will use its best efforts to cause such qualification and compliance to be effected (and be kept effective) as may be so requested and as would permit or facilitate the sale and distribution of such Securities Collateral including registration under the Securities Act (or any similar statute then in effect), appropriate qualifications under applicable blue sky or other state securities laws and appropriate compliance with all other requirements of any Governmental Authority. Each Pledgor shall cause the Collateral Agent to be kept advised in writing as to the

progress of each such registration, qualification or compliance and as to the completion thereof, shall furnish to the Collateral Agent such number of prospectuses, offering circulars or other documents incident thereto as the Collateral Agent from time to time may reasonably request, and shall indemnify and shall cause the issuer of the Securities Collateral to indemnify the Collateral Agent and all others participating in the distribution of such Securities Collateral against all claims, losses, damages and liabilities caused by any untrue statement (or alleged untrue statement) of a material fact contained therein (or in any related registration statement, notification or the like) or by any omission (or alleged omission) to state therein (or in any related registration statement, notification or the like) a material fact required to be stated therein or necessary to make the statements therein not misleading, except for any such claims, losses, damages or liabilities caused by or contained in any information furnished in writing to any Pledgor by the Collateral Agent or any Holder.

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

SECTION 10.5 No Waiver; Cumulative Remedies.

(i) No failure on the part of the Collateral Agent to exercise, no course of dealing with respect to, and no delay on the part of the Collateral Agent in exercising, any right, power or remedy hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any such right, power or remedy hereunder preclude any other or further exercise thereof or the exercise of any other right, power or remedy; nor shall the Collateral Agent be required to look first to, enforce or exhaust any other security, collateral or guaranties. The remedies herein provided are cumulative and are not exclusive of any remedies provided by law.

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

SECTION 10.6 Certain Additional Actions Regarding Intellectual Property. If any Event of Default shall have occurred, upon the written demand of the Collateral Agent, each Pledgor shall execute and deliver to the Collateral Agent an assignment or assignments of the registered Patents, Trademarks and/or Copyrights and such other documents as are reasonably necessary or reasonably appropriate to carry out the intent and purposes hereof. Within five

Business Days of written notice thereafter from the Collateral Agent, each Pledgor shall make available to the Collateral Agent, to the extent within such Pledgor's power and authority, such personnel in such Pledgor's employ on the date of the Event of Default as the Collateral Agent may reasonably designate to permit such Pledgor to continue, directly or indirectly, to produce, advertise and sell the products and services sold by such Pledgor under the registered Patents, Trademarks and/or Copyrights, and such persons shall be available to perform their prior functions on Collateral Agent's behalf.

ARTICLE XI.
APPLICATION OF PROCEEDS

Unless otherwise agreed between the Holders and the Collateral Agent (including pursuant to the Collateral Agency and Intercreditor Agreement), the proceeds received by the Collateral Agent in respect of any sale of, collection from or other realization upon all or any part of the Pledged Collateral pursuant to the exercise by the Collateral Agent of its remedies as a secured creditor as provided in Article X shall be applied, together with any other sums then held by the Collateral Agent pursuant to this Agreement, promptly by the Collateral Agent as follows:

FIRST, to the payment of all costs and expenses, fees, commissions and taxes of such sale, collection or other realization including, the costs and expenses of the Collateral Agent and its agents and counsel, and all other expenses, liabilities and advances made or incurred by the Collateral Agent in connection therewith, together with interest on each such amount at the highest rate then in effect under the Note Purchase Agreement from and after the date such amount is due, owing or unpaid until paid in full;

SECOND, without duplication of amounts applied pursuant to clause FIRST above, to the payment of all other costs and expenses of such sale, collection or other realization including, the costs and expenses of the Holders and their agents and counsel and all other costs, liabilities and advances made or incurred by the Holders in connection therewith, together with interest on each such amount at the highest rate then in effect under the Note Purchase Agreement from and after the date such amount is due, owing or unpaid until paid in full;

THIRD, without duplication of amounts applied pursuant to clauses FIRST and SECOND above, to the indefeasible payment in full in cash, pro rata, of (i) interest, principal, premium and other amounts constituting Secured Obligations in accordance with the terms of the Note Purchase Agreement; and

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

In the event that any such proceeds are insufficient to pay in full the items described in clauses FIRST through THIRD of this Article XI, the Pledgors shall remain liable for any deficiency.

ARTICLE XII.
MISCELLANEOUS

SECTION 12.1 Concerning Collateral Agent.

(i) The Collateral Agent has been appointed as Collateral Agent pursuant to the Note Purchase Agreement. The actions of the Collateral Agent hereunder are subject to the provisions of the Note Purchase Agreement. The Collateral Agent shall have the right hereunder to make demands, to give notices, to exercise or refrain from exercising any rights, and to take or refrain from taking action (including the release or substitution of the Pledged Collateral), in accordance with this Agreement and the Note Purchase Agreement. The Collateral Agent may employ agents and attorneys-in-fact in connection herewith and shall not be liable for the negligence or misconduct of any such agents or attorneys-in-fact selected by it in good faith. The Collateral Agent may resign and, subject to the provisions of the Collateral Agency and Intercreditor Agreement, a successor Collateral Agent may be appointed in the manner provided in the Note Purchase Agreement. Upon the acceptance of any appointment as the Collateral Agent by a successor Collateral Agent, that successor Collateral Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Collateral Agent under this Agreement, and the retiring Collateral Agent shall thereupon be discharged from its duties and obligations under this Agreement (other than liabilities arising out of the bad faith, gross negligence or willful misconduct of such retiring Collateral Agent). After any retiring Collateral Agent's resignation, the provisions hereof shall inure to its benefit as to any actions taken or omitted to be taken by it under this Agreement while it was the Collateral Agent.

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

(iii) The Collateral Agent shall be entitled to rely upon any written notice, statement, certificate, order or other document or any telephone message believed by it to be genuine and correct and to have been signed, sent or made by the proper person, and, with respect to all matters pertaining to this Agreement and its duties hereunder, upon advice of counsel selected by it.

(iv) With respect to any of its rights and obligations as a Holder (if applicable), Collateral Agent shall have and may exercise the same rights and powers hereunder. The term "Holder" or any similar terms shall, unless the context clearly otherwise indicates, include Collateral Agent in its individual capacity as a Holder (if applicable). Collateral

Agent may accept deposits from, lend money to, and generally engage in any kind of banking, trust or other business with such Pledgor or any Affiliate of such Pledgor to the same extent as if Collateral Agent were not acting as collateral agent.

(v) If any item of Pledged Collateral also constitutes collateral granted to Collateral Agent (specifically in its capacity as Collateral Agent for the Holders of the Issuer's Second Priority Senior Secured Notes) under any other deed of trust, mortgage, security agreement, pledge or instrument of any type, in the event of any conflict between the provisions hereof and the provisions of such other deed of trust, mortgage, security agreement, pledge or instrument of any type in respect of such collateral, Collateral Agent, in its reasonable discretion, shall select which provision or provisions shall control.

SECTION 12.2 Collateral Agent May Perform; Collateral Agent Appointed Attorney-in-Fact. If any Pledgor shall fail to perform any covenants contained in this Agreement, (including such Pledgor's covenants to (i) pay the premiums in respect of all Required Insurance Policies hereunder, (ii) pay Charges, (iii) make repairs, (iv) discharge Liens or (v) pay or perform any obligations of such Pledgor under any Pledged Collateral) or if any warranty on the part of any Pledgor contained herein shall be breached, the Collateral Agent may (but shall not be obligated to), upon prior notice to such Pledgor, perform or cause the performance of such covenant, or otherwise remedy any such breach, and may expend funds for such purpose; provided, however, that Collateral Agent shall in no event be bound to inquire into the validity of any tax, Lien, imposition or other obligation which such Pledgor fails to pay or perform as and when required hereby and which such Pledgor does not contest in accordance with the provision of Section 4.18. Any and all reasonable amounts so expended by the Collateral Agent shall be paid by the Pledgors in accordance with the provisions of Section 12.3. Neither the provisions of this Section 12.2 nor any action taken by Collateral Agent pursuant to the provisions of this Section 12.2 shall prevent any such failure to observe any covenant contained in this Agreement nor any breach of warranty from constituting an Event of Default. Each Pledgor hereby appoints the Collateral Agent its attorney-in-fact, with full authority in the place and stead of such Pledgor and in the name of such Pledgor, upon the occurrence and during the continuance of an Event of Default or otherwise from time to time in order to prevent the material impairment of the value of the Pledged Collateral or the material impairment Lien created by this Agreement or any other Note Document, to take any action and to execute any instrument consistent with the terms hereof and the other Note Documents which the Collateral Agent may deem necessary to accomplish the purposes hereof. The foregoing grant of authority is a power of attorney coupled with an interest and such appointment shall be irrevocable for the term hereof. Each Pledgor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof.

SECTION 12.3 Expenses. Each Pledgor will upon demand pay to the Collateral Agent the amount of any and all reasonable costs and expenses, including the reasonable fees and expenses of its counsel and the reasonable fees and expenses of any experts and agents which the Collateral Agent may incur in connection with (i) any action, suit or other proceeding commenced affecting the Pledged Collateral or any part thereof, in which action, suit or proceeding the Collateral Agent is made a party or participates or in which the right to use the Pledged Collateral or any part thereof is threatened, or in which it becomes necessary in the reasonable judgment of the Collateral Agent to defend or uphold the Lien hereof (including any

action, suit or proceeding to establish or uphold the compliance of the Pledged Collateral with any requirements of any Governmental Authority or law), (ii) the collection of the Secured Obligations, (iii) the enforcement and administration hereof, (iv) the custody or preservation of, or the sale of, collection from, or other realization upon, any of the Pledged Collateral, (v) the exercise or enforcement of any of the rights of the Collateral Agent or any Secured Party hereunder or (vi) the failure by any Pledgor to perform or observe any of the provisions hereof. All amounts expended by the Collateral Agent and payable by any Pledgor under this Section 12.3 shall be due upon demand therefor (together with interest thereon accruing at the Default Rate during the period from and including the date on which such funds were so expended to the date of repayment) and shall be part of the Secured Obligations. Each Pledgor's obligations under this Section 12.3 shall survive the termination hereof and the discharge of such Pledgor's other obligations under this Agreement, the Note Purchase Agreement and the other Note Purchase Documents.

SECTION 12.4 Indemnity.

(i) Indemnity. Each Pledgor agrees to indemnify, pay and hold harmless the Collateral Agent and each of the other Secured Parties and the officers, directors, employees, agents and Affiliates of the Collateral Agent and each of the other Secured Parties (collectively, the "Indemnitees") from and against any and all other liabilities, obligations, losses, damages, penalties, actions, judgments, suits, claims, costs (including settlement costs), expenses or disbursements of any kind or nature whatsoever (including the reasonable fees and disbursements of counsel for such Indemnitees, but only one counsel, together with local counsel incurred by them, in the aggregate in connection with any investigative, administrative or judicial proceeding, commenced or threatened, whether or not such Indemnatee shall be designated a party thereto) which may be imposed on, incurred by, or asserted against that Indemnatee, in any manner relating to or arising out hereof or any other Note Document (including any misrepresentation by any Pledgor in this Agreement or any other Note Document) (the "Indemnified Liabilities"); provided, however, that no Pledgor shall have any obligation to an Indemnatee hereunder with respect to Indemnified Liabilities if it has been determined by a final decision (after all appeals and the expiration of time to appeal) of a court of competent jurisdiction that such Indemnified Liabilities arose from the bad faith, gross negligence or willful misconduct of that Indemnatee. To the extent that the undertaking to indemnify, pay and hold harmless set forth in the preceding sentence may be unenforceable because it is violative of any law or public policy, each Pledgor shall contribute the maximum portion which it is permitted to pay and satisfy under applicable law to the payment and satisfaction of all Indemnified Liabilities incurred by the Indemnitees or any of them.

(ii) Survival. The obligations of the Pledgors contained in this Section 12.4 shall survive the termination hereof and the discharge of the Pledgors' other obligations under this Agreement and under the other Note Documents.

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

SECTION 12.5 Continuing Security Interest; Assignment. This Agreement shall create a continuing security interest in the Pledged Collateral and shall (i) be binding upon the Pledgors, their respective successors and assigns and (ii) inure, together with the rights and remedies of the Collateral Agent hereunder, to the benefit of the Collateral Agent and the other Secured Parties and each of their respective successors, transferees and assigns. No other Persons (including any other creditor of any Pledgor) shall have any interest herein or any right or benefit with respect hereto. Without limiting the generality of the foregoing clause (ii), any Holder may assign or otherwise transfer any indebtedness held by it secured by this Agreement to any other Person, and such other Person shall thereupon become vested with all the benefits in respect thereof granted to such Holder, herein or otherwise, subject however, to the provisions of the Note Purchase Agreement.

SECTION 12.6 Termination; Release. When all the Secured Obligations (other than obligations in respect of indemnification and expense reimbursement obligations hereunder and any other Note Document to the extent that such obligations are not then due and payable) have been paid in full, this Agreement shall terminate. Upon termination hereof or any release of Pledged Collateral in accordance with the provisions of the Note Purchase Agreement, the Collateral Agent shall, upon the request and at the sole cost and expense of the Pledgors, forthwith assign, transfer and deliver to Pledgor, against receipt and without recourse to or warranty by the Collateral Agent, such of the Pledged Collateral to be released (in the case of a release) as may be in possession of the Collateral Agent and as shall not have been sold or otherwise applied pursuant to the terms hereof, and, with respect to any other Pledged Collateral, proper documents and instruments (including UCC-3 termination statements or releases) acknowledging the termination hereof or the release of such Pledged Collateral, as the case may be.

SECTION 12.7 Modification in Writing. No amendment, modification, supplement, termination or waiver of or to any provision hereof, nor consent to any departure by any Pledgor therefrom, shall be effective unless the same shall be made in accordance with the terms of the Note Purchase Agreement and unless in writing and signed by each Pledgor and the Collateral Agent. Any amendment, modification or supplement of or to any provision hereof, any waiver of any provision hereof and any consent to any departure by any Pledgor from the terms of any provision hereof shall be effective only in the specific instance and for the specific purpose for which made or given. Except where notice is specifically required by this Agreement or any other Note Document, no notice to or demand on any Pledgor in any case shall entitle any Pledgor to any other or further notice or demand in similar or other circumstances.

SECTION 12.8 Notices. Unless otherwise provided herein or in the Note Purchase Agreement, any notice or other communication herein required or permitted to be given shall be given in the manner and become effective as set forth in the Note Purchase Agreement, as to any Pledgor, addressed to it at the address of the Issuer set forth in the Credit Agreement and as to the Collateral Agent, addressed to it at the address set forth in the Note Purchase Agreement (with a copy to the Lead Investor), or in each case at such other address as shall be designated by such party in a written notice to the other party complying as to delivery with the terms of this Section 12.8.

SECTION 12.9 GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAWS EXCEPT TO THE GREATEST EXTENT THAT THE VALIDITY OR PERFECTION OF THE SECURITY INTEREST HEREUNDER, OR REMEDIES HEREUNDER, IN RESPECT OF ANY PARTICULAR ITEM OR TYPE OF PLEDGED COLLATERAL, ARE GOVERNED BY THE LAWS OF A JURISDICTION OTHER THAN THE STATE OF NEW YORK.

SECTION 12.10 CONSENT TO JURISDICTION AND SERVICE OF PROCESS; WAIVER OF JURY TRIAL. ALL JUDICIAL PROCEEDINGS BROUGHT AGAINST ANY PLEDGOR WITH RESPECT TO THIS AGREEMENT MAY BE BROUGHT IN THE SUPREME COURT OF THE STATE OF NEW YORK SITTING IN NEW YORK COUNTY, THE COURTS OF THE UNITED STATES OF AMERICA FOR THE SOUTHERN DISTRICT OF NEW YORK AND APPELLATE COURTS OF ANY THEREOF, AND BY EXECUTION AND DELIVERY HEREOF, EACH PLEDGOR ACCEPTS FOR ITSELF AND IN CONNECTION WITH ITS PROPERTIES, GENERALLY AND UNCONDITIONALLY, THE NONEXCLUSIVE JURISDICTION OF THE AFORESAID COURTS AND IRREVOCABLY AGREES TO BE BOUND BY ANY JUDGMENT RENDERED THEREBY IN CONNECTION WITH THIS AGREEMENT. EACH PLEDGOR AGREES THAT SERVICE OF PROCESS IN ANY PROCEEDING MAY BE EFFECTED BY MAILING A COPY THEREOF BY REGISTERED OR CERTIFIED MAIL (OR ANY SUBSTANTIALLY SIMILAR FORM OF MAIL), POSTAGE PREPAID, TO BORROWER AT ITS ADDRESS SET FORTH IN THE NOTE PURCHASE AGREEMENT OR AT SUCH OTHER ADDRESS OF WHICH THE COLLATERAL AGENT SHALL HAVE BEEN NOTIFIED PURSUANT THERETO. IF ANY AGENT APPOINTED BY ANY PLEDGOR REFUSES TO ACCEPT SERVICE, SUCH PLEDGOR HEREBY AGREES THAT SERVICE UPON IT BY MAIL SHALL CONSTITUTE SUFFICIENT NOTICE. NOTHING HEREIN SHALL AFFECT THE RIGHT TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR SHALL LIMIT THE RIGHT OF THE COLLATERAL AGENT TO BRING PROCEEDINGS AGAINST ANY PLEDGOR IN THE COURTS OF ANY OTHER JURISDICTION. THE PLEDGORS HEREBY IRREVOCABLY WAIVE ALL RIGHT TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

SECTION 12.11 Severability of Provisions. Any provision hereof which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

SECTION 12.12 Execution in Counterparts. This Agreement and any amendments, waivers, consents or supplements hereto may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original, but all such counterparts together shall constitute one and the same agreement.

SECTION 12.13 Limitation on Interest Payable. It is the intention of the parties to conform strictly to the usury laws, whether state or Federal, that are applicable to the transaction of which this Agreement is a part. All agreements between the Pledgors and the Collateral Agent whether now existing or hereafter arising and whether oral or written, are hereby expressly limited so that in no contingency or event whatsoever shall the amount paid or agreed to be paid by the Pledgors for the use, forbearance or detention of the money to be loaned under the Notes and the Note Purchase Agreement or any other Note Document, or for the payment or performance of any covenant or obligation contained herein or in the Notes and the Note Purchase Agreement or any other Note Document, exceed the maximum amount permissible under applicable Federal or state usury laws. If under any circumstances whatsoever fulfillment of any such provision, at the time performance of such provision shall be due, shall involve exceeding the limit of validity prescribed by law, then the obligation to be fulfilled shall be reduced to the limit of such validity. If under any circumstances the Pledgors shall have paid an amount deemed interest by applicable law, which would exceed the highest lawful rate, such amount that would be excessive interest under applicable usury laws shall be applied to the reduction of the principal amount owing in respect of the Secured Obligations and not to the payment of interest, or if such excessive interest exceeds the unpaid balance of principal and any other amounts due hereunder, the excess shall be refunded to the Pledgors. All sums paid or agreed to be paid for the use, forbearance or detention of the principal under any extension of credit by the Collateral Agent shall, to the extent permitted by applicable law, and to the extent necessary to preclude exceeding the limit of validity prescribed by law, be amortized, prorated, allocated and spread from the date hereof until payment in full of the Secured Obligations so that the actual rate of interest on account of such principal amounts is uniform throughout the term hereof.

SECTION 12.14 Business Days. In the event any time period or any date provided in this Agreement ends or falls on a day other than a Business Day, then such time period shall be deemed to end and such date shall be deemed to fall on the next succeeding Business Day, and performance herein may be made on such Business Day, with the same force and effect as if made on such other day.

SECTION 12.15 Relationship. The relationship of Collateral Agent and the Holders to each of the Pledgors hereunder is strictly and solely that of lender and borrower and pledgor and secured party and nothing contained in the Notes, the Note Purchase Agreement, this Agreement or any other document or instrument now existing and delivered in connection therewith or otherwise in connection with the Secured Obligations is intended to create, or shall in any event or under any circumstance be construed as creating a partnership, joint venture, tenancy-in-common, joint tenancy or other relationship of any nature whatsoever between Collateral Agent, any Holder and each of the Pledgors other than as lender and borrower and mortgagor and mortgagee.

SECTION 12.16 Waiver of Stay. Each Pledgor agrees that in the event that such Pledgor or any property or assets of such Pledgor shall hereafter become the subject of a voluntary or involuntary proceeding under the Bankruptcy Code or such Pledgor shall otherwise be a party to any Federal or state bankruptcy, insolvency, moratorium or similar proceeding to which the provisions relating to the automatic stay under Section 362 of the Bankruptcy Code or any similar provision in any such law is applicable, then, in any such case, whether or not the

Collateral Agent has commenced foreclosure proceedings under this Agreement, the Collateral Agent shall be entitled to relief from any such automatic stay as it relates to the exercise of any of the rights and remedies (including any foreclosure proceedings) available to the Collateral Agent as provided in this Agreement or in any other Note Document.

SECTION 12.17 No Credit for Payment of Taxes or Imposition. No Pledgor shall be entitled to any credit against the principal, premium, if any, or interest payable under the Note and the Note Purchase Agreement, and such Pledgor shall not be entitled to any credit against any other sums which may become payable under the terms thereof or hereof, by reason of the payment of any Tax on the Pledged Collateral or any part thereof.

SECTION 12.18 No Claims Against Collateral Agent. Nothing contained in this Agreement shall constitute any consent or request by the Collateral Agent, express or implied, for the performance of any labor or services or the furnishing of any materials or other property in respect of the Pledged Collateral or any part thereof, nor as giving any Pledgor any right, power or authority to contract for or permit the performance of any labor or services or the furnishing of any materials or other property in such fashion as would permit the making of any claim against the Collateral Agent in respect thereof or any claim that any Lien based on the performance of such labor or services or the furnishing of any such materials or other property is prior to the Lien hereof.


SECTION 12.19 Obligations Absolute. All obligations of each Pledgor hereunder shall be absolute and unconditional irrespective of:

- (i) any bankruptcy, insolvency, reorganization, arrangement, readjustment, composition, liquidation or the like of any Pledgor or any other Obligor;
- (ii) any lack of validity or enforceability of the Notes, the Note Purchase Agreement, or any other Note Document, or any other agreement or instrument relating thereto;
- (iii) any change in the time, manner or place of payment of, or in any other term of, all or any of the Secured Obligations, or any other amendment or waiver of or any consent to any departure from the Notes, the Note Purchase Agreement or any other Note Document, or any other agreement or instrument relating thereto;
- (iv) any pledge, exchange, release or non-perfection of any other collateral, or any release or amendment or waiver of or consent to any departure from any guarantee, for all or any of the Secured Obligations;
- (v) any exercise, non-exercise or waiver of any right, remedy, power or privilege under or in respect hereof or any other Note Document except as specifically set forth in a waiver granted pursuant to the provisions of Section 12.7; or
- (vi) any other circumstances which might otherwise constitute a defense available to, or a discharge of, any Pledgor.


[Signature Pages Follow]

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


JASON INCORPORATED,
as Pledgor

By: 
Name: JOHN J. HENGEL
Title: VICE PRESIDENT AND SECRETARY

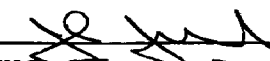
JASON OHIO CORPORATION,
as Pledgor

By: 
Name: JOHN J. HENGEL
Title: VICE PRESIDENT


JASON NEVADA, INC.,
as Pledgor

By: 
Name: JOHN J. HENGEL
Title: VICE PRESIDENT

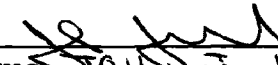
BRADEN NEVADA, INC.,
as Pledgor

By: 
Name: JOHN J. HENGEL
Title: VICE PRESIDENT

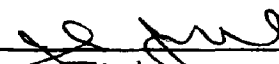
JASON INTERNATIONAL HOLDINGS, INC.
as Pledgor

By: 
Name: JOHN J. HENGEL
Title: VICE PRESIDENT

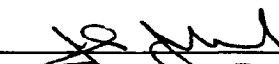
ASSEMBLED PRODUCTS, INC.
as Pledgor

By: 
Name: JOHN J. HENGEL
Title: VICE PRESIDENT


ADVANCE WIRE PRODUCTS, INC.
as Pledgor

By: 
Name: JOHN J. HENGEL
Title: VICE PRESIDENT

METALEX CORPORATION
as Pledgor

By: 
Name: JOHN J. HENGEL
Title: VICE PRESIDENT

JACKSONLEA HOLDINGS, INC. (f/k/a DELTAK
NEVADA, INC.)
as Pledgor

By: 
Name: JOHN G. HENDEL
Title: VICE PRESIDENT

CREDIT AGRICOLE INDOSUEZ,
as Collateral Agent

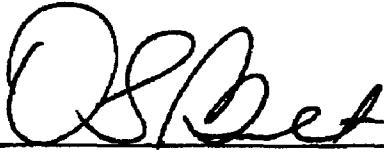
By: _____
Name:
Title:


By: _____
Name:
Title:

JACKSONLEA HOLDINGS, INC. (f/k/a DELTAK
NEVADA, INC.)
as Pledgor

By: _____
Name:
Title:

CREDIT AGRICOLE INDOSUEZ,
as Collateral Agent

By:  _____
Name:
Title:

By:  _____
Name: *Matthew Linff*
Title: *Vice President*

Schedule 1.1(a)

INITIAL COPYRIGHTS

TITLE	REG. NO.	REG. DATE
Osborn power brushes, EMRO brushes, maintenance brushes, industrial aerosols, industrial abrasives, paint brushes & rollers, LOAD RUNNERS idler-rollers	TX3360195	5/19/92
What you need to know about flexible abrasive finishing tools	TX3327354	5/19/92
Flexible abrasive brush tools	TX3071128	5/17/91
Osborn cepillos de mantenimiento EMERO, abrasivos industriales	TX3071127	5/17/91
Osborn: power brushes, buffs, maintenance brushes, paint brushes, rollers & aerosols	TX1247467	10/18/83
Lea electro dialysis systems for metal recovery in electroplating operations	TX857097	2/22/82
Lea Decoral: fabulous finish for aluminum! an alternative to color anodizing!	TX857096	2/22/82
Save big dollars with Lea: electro dialysis systems for precious metal recovery in electroplating: bulletin no. CRS-150	TX 448773	1/30/80
Enduroprep superior phosphate coating: bulletin no. CFD-379	TX448772	1/30/80
Lea electro dialysis system for recovery in electroplating operations	TX54441	5/1/78
Lea abrasive finishing product guide	TX934712	7/6/82
Chemical finishing product guide/ Lea Manufacturing Company	TX515895	7/24/80
Osborn, a unit of Jason Incorporated, soft tooling	TX3357025	7/15/92
Therm-l-brush : highest quality nylon brush seals.	VA148636	2/14/84

Schedule 1.1(b)

INITIAL DESIGNATED ACCOUNTS

<u>Pledgor</u>	<u>Bank Name</u>	<u>Account Number</u>	
Jason Incorporated	Bank One	5216818	
	Bank One	956953	
	Bank One	956988	
	Bank One	928011	
	Bank One	956996	
	Bank One	599013	
	Bank One	657003	
	Bank One	957011	
	Bank One	29604748	
	Bank One	924300	
	Bank One	968897	
		LaSalle Bank	5800340381
		LaSalle Bank	5800340423
		LaSalle Bank	5800340472
		LaSalle Bank	5800340431
		LaSalle Bank	5800340480
		LaSalle Bank	5800340464
	KeyBank	1034525730	
Advance Wire Products, Inc.	Bank One	965669	
	LaSalle Bank	5800340407	
Assembled Products, Inc.	Bank One	965677	
	LaSalle Bank	5800340399	
Metalex Corporation	Bank One	965693	
	LaSalle Bank	5800340415	

Schedule 1.1(c)

INITIAL PLEDGED INTERESTS

None.

Schedule 1.1(d)

INITIAL PLEDGED SHARES

ISSUER	CLASS OF STOCK	CERTIFICATE NO (S).	NUMBER OF SHARES	PERCENTAGE OF ALL ISSUED CAPITAL OR OTHER EQUITY INTERESTS OF ISSUER
Jason Ohio Corporation	Common	1	100	100%
Jason Nevada, Inc.	Common	2	1,000	100%
Braden Nevada, Inc.	Common	4	1,000	100%
JacksonLea Holdings, Inc. (f/k/a Deltak Nevada, Inc.)	Common	2	1,000	100%
Advance Wire Products, Inc.	Common	1	100	100%
Assembled Products, Inc.	Common	1	100	100%
Metalex Corporation	Common	1	100	100%
Jason International Holdings, Inc.	Common	2 and 3	1000	100%
Jackson Lea Canada, Inc.	Common	C-2	65	65%
Jackson Lea de Mexico	Series A	1	32	65%
	Series B	1	7,293	65%
Jason Holdings UK Limited	Common	74	455,916	65%

Schedule 1.1(e)

INITIAL INTERCOMPANY NOTES

ISSUER	OUTSTANDING PRINCIPAL AMOUNT	DATE OF ISSUANCE	INTEREST RATE	MATURITY DATE
Jason Nevada, Inc.	\$44,550,000	Several	10%	On Demand
Jason Incorporated	500,000 British Pounds	April 2, 2002	LIBOR + 4%	April 2, 2012

Schedule 1.1(f)

INITIAL LICENSES

1. Agreement between Osborn International SA and Equipment Merchants International, Inc. ("Verbal Agreement Pending Signatures as of December 9, 1999").
2. License and Technical Assistance Agreement with Manufacturing and Sales Rights between Jackson Buff Company and Hsin Feng Corp., dated November 15, 1988 (and amended March 25, 1999).
3. Agreement and Covenant Not To Sue between The Koller Group and A.T.B. S.p.a. dated February 23, 1993.
4. Andersen Consulting License Agreement with JacksonLea dated September 9, 1992.
5. Sony License Agreement with Koller Manufacturing Corporation dated November 12, 1991.
6. Distribution Agreement between Lea and SIDA S.A. dated January 1, 1989.
7. License Agreement between Lea and SIDA S.A. dated January 12, 1989.
8. Manufacturing License Agreement between Lea Manufacturing Company and MacDermid, Inc. dated July 1, 1985.
9. License Agreement between Lea Manufacturing Company and Anderson Peek Hanson Limited dated May 31, 1985. (UK and Republic of Ireland)
10. License and Technical Assistance Agreement between Lea Manufacturing Company and Anderson Peek Hanson Limited dated May 31, 1985. (France)
11. Agreement between Lea Manufacturing Company and Regal dated August 1, 1979.
12. Agreement between Lea Manufacturing Company and S.A.R.L. RENWART dated June 1979.
13. Agreement between Lea Manufacturing Company and Nihon Kenzai Kabushiki Kaisha dated March 1, 1990.
14. Agreement between The Lea Manufacturing Company and PME International Co., Ltd. dated September 1, 1990 and amended on June 13, 1993.
15. License by Koller Group to Honfield Industrial Limited dated April 8, 1997.

16. Agreement among The Koller Group, Hoi Metal products Fty. Ltd. and Hoi Lung Precision Components (Shenzhen) United dated December 1, 1996.
17. License by Koller Group to Sanli Video and Cassette Components dated April 9, 1997.
18. License by Koller Group to Kam Fat Manufacturing dated April 9, 1997.
19. License and Technical Assistance Agreement between Kiesow GmbH & Co and Hsin Feng Enterprise Corporation dated December 9, 1995.
20. Distributor Agreement between Milsco Manufacturing and Collier-Keyworth dated June 13, 1997.
21. Licensing Agreement between The Lea Manufacturing Co. and Galvanolyte, S.A. dated July 28, 1972.
22. Technical Cooperation Agreement between Osborn International GmbH and Brushes International (Romania) S.R.L. dated September 11, 1996.
23. License and Technical agreement between JacksonLea and Kings Brite Company dated November 14, 2000 and amended November 8, 2002.

Schedule 1.1(g)

INITIAL PATENTS

TITLE	PATENT NUMBER	PATENT DATE
Height adjustment mechanism for chair backrest	4639039	1/27/87
Vehicle seat	4836609	6/6/89
Flat spring structure for magnetic tape cassettes, in particular video cassettes	4899243	2/6/90
Rotary finishing tool	4945687	8/7/90
Circular Ring Shaped Brush Section	4998316	3/12/91
Rotary finishing tool	5046288	9/10/91
*Method for trimming or dressing of abrasive finishing tools	5127290	7/7/92
*Pivotable seat assembly with latch mechanism	5127621	7/7/92
*Adhesive bonded flexible abrasive finishing tool	5129191	7/14/92
*Adhesive bonded abrasive finishing tool	5129197	7/14/92
Seat suspension with down stop slide element for automatic slide gap adjustment	5154393	10/13/92
*Abrasive finishing elements, tools made from such elements, and methods of making such tools	5155945	10/20/92
Electronic suspension vehicle seat	5169112	12/8/92
*Method of making perforated strip abrasive tool	5170593	12/15/92
*Abrasive finishing elements, tools made from such elements, and methods of making such tools	5187904	2/23/93
*Rotary finishing tool and adapter	5207032	5/4/93
Watertight upholstery button	5214811	6/1/93
Abrasive filament honing tool and method of making and using same	5216847	6/8/93
Vehicle seat suspension with improved compression spring mounting	5221071	6/22/93
Adhesive bonded abrasive finishing tool	5279079	1/18/94
perforated strip abrading element and abrading tool and method using such strip element	5295332	3/22/94
Abrasive filament honing tool and method of making and using same	5318603	6/7/94
Internal abrading tool and method of making	5321919	6/21/94
Abrasive finishing tool	5329730	7/19/94

TITLE	PATENT NUMBER	PATENT DATE
Honing process with rough honing tool and finish honing tool on same rotating head	5331775	7/26/94
Adjustable mechanized seat suspension	5364060	11/15/94
Internal finishing tool and method of making same	5404681	4/11/95
Rotary abrasive tools	5423718	6/13/95
End brush and method of making	5464275	11/7/95
Idler roller and method of making	5493777	2/27/96
Internal finishing tool and method of making same	5496385	3/5/96
Honing tool and method of making	5527213	6/18/96
Idler roller and method of making	5542900	8/6/96
Abrasive filament hone tool and method	5556328	9/17/96
Expanded metal filter support structure	5589067	12/31/96
Flexible unitary seat shell including base section having frame sockets	5599069	2/4/97
Twisted stem abrading tool	5599225	2/14/97
Twisted stem abading tool and method of making same	5609398	3/11/97
Vehicle seat with inflatable bladder (for supporting a seat occupant)	5658050	8/19/97
Unitary molded honing tool	5709591	1/20/98
Honing tool and method of making	5730503	3/24/98
Method of forming fabric	5743979	4/28/98
End Brush and method of making same	5755003	5/26/98
Method of making a plateau homing tool	5788900	8/4/98
Adjustable vehicle seat suspension	5794911	8/18/98
Modular height adjustable vehicle seat armrest	5823624	10/20/98
Non blocking Filter	5855635	1/5/99
Adjustable vehicle seat	5876085	3/2/99
Method of making abrading tools	5895612	4/20/99
Honing Tool and Method of Making	5897431	4/27/99
Twisted Tuft Brush	5926904	7/27/99
*Adjustable vehicle seat suspension	5927679	7/27/99

TITLE	PATENT NUMBER	PATENT DATE
Method for making a seat using a pressured bladder	5972149	10/26/99
Vehicle seat	5975629	11/2/99
Motorcycle seat with adjustable backrest	6007150	12/28/99
Removable mirror for rear of vehicle	6022116	2/8/00
Method of making a plateau honing tool	6083445	7/4/00
Method of Making a seat cushion	6120630	9/19/00
Honing Tool and method of making	6129620	10/10/00
Strip barrier brush assembly	6152279	11/18/00
Buff section assembly and method of making	6295687	10/2/01
Abrading tools and method of making	6312323	10/6/01
Finishing and abrasive tools	6379238	4/30/02
Strip barrier brush assembly	6425472	7/30/02
Fixed flap wrap	6592442	7/15/03
Strip Barrier Brush	6595344	7/22/03
Hydro Entanglement	6595843	7/22/03
Overall clip	D306272	2/27/90
Chair	D308605	6/19/90
Chair seat	D342850	1/4/94
Vehicle seat	D482880	12/2/03
Vehicle seat	D482881	12/2/03
Vehicle seat	D482882	12/2/03
Vehicle seat	D483191	12/9/03

*Will be allowed to lapse.

Patent Applications:

TITLE	APP. NUMBER	APP. DATE
Vehicle Headliner and Laminate therefor	09/681822	6/11/01
Power Operated Brush	10/217554	8/13/02
Power Operated Brush	10/217554	8/13/02
Vehicle seat suspension	10/393842	3/21/03
CE200	10/393842	2/21/03
Twisted Tuft	10/401475	3/26/03
Twisted Tuft End Brush	10/401475	3/26/03
Recessed cushion	10/431185	5/7/03
Scooby Button Retention System	10/431185	5/8/03
Buffing Tools	10/431764	5/8/03
Vehicle seat	29/191879	10/15/03
Vehicle seat	29/191880	10/15/03
Vehicle seat	29/192102	10/17/03
Insulated Saddle Bags	60/338146	11/13/02
Vehicle seat suspension	60/426957	11/15/03
Suspension Mechanism Cartridge	60/426957	11/15/02
Insulated carrier	60/432477	12/12/03
Seat suspension	60/497582	8/25/03
Seat Suspension	60/497582	3/21/03
XB180 -2003	N/A	10/15/03
XA500	N/A	10/17/03
Vehicle seat - Marine	N/A	N/A
Vehicle shell for a seat - Marine	N/A	N/A
Vehicle cushion- Marine	N/A	N/A
Hinged backed seat with modular construction	N/A	N/A

Schedule 1.1(h)

PRIOR LIENS

1. Liens filed in the state of Illinois and in the state of Nevada in favor of the Collateral Agent.
2. See attached.

INITIAL TRADEMARKS

<u>MARK</u>	<u>REG. NUMBER</u>	<u>REG. DATE</u>
A	1231635	3/22/83
ACME	0285490	7/28/31
AD-LEA-SIVE	0411018	1/2/45
ARTAB	0408273	8/1/44
CALIFORNIA BUFF COMPANY	1626565	12/11/90
CAM RUNNER	2354626	6/6/00
CAM RUNNER	2354626	6/6/00
CHURCHILL	2353870	5/30/00
DESIGN ONLY	0571005	2/24/53
DESIGN ONLY	0542771	5/22/51
DIXO	1824899	3/8/94
ECONOSORB**	1850483	8/23/94
ENDURION	0613728	10/11/55
EVERYBODY LOVES OSBORN BRUSHES	1399196	7/1/86
FASTHITCH	2285957	2/19/97
FIBERFOAM	2060231	5/13/97
GRIPMASTER	0410507	11/28/44
IMPERIAL	0869294	5/13/69
INSERTUF	0704279	9/13/60
JACKSONLEA	1760887	3/30/93
JACKSONLEA	1763910	4/18/00
LEA ANTISTAT	0818952	11/22/66
LEA LUBEWAX	0832391	7/25/67
LEA LUXEMATIC	0839808	12/5/67
LEABRITE	2205308	11/24/98
LEAROK	0304157	6/20/33

<u>MARK</u>	<u>REG. NUMBER</u>	<u>REG. DATE</u>
LIQUABRADE	0556217	3/18/52
LIQUA-SHEEN	1055844	1/11/77
LOAD RUNNERS	0973349	11/20/73
MAGNAFLEX	2572176	5/21/02
MARABOND	1048153	9/14/76
MARATEX	1041359	6/15/76
MILSCO	1145461	1/6/81
MILSCO	0682467	7/28/59
MILSCO	2697697	3/18/03
MONITOR	0417157	10/16/45
MULTIMODULAR	1325809	3/19/85
NOVOFIL	1671777	1/14/92
ORBIT***	1854036	9/13/94
OSBORN	0135954	10/26/20
OSBORN	0569356	1/20/53
OSBORN	0127357	11/11/19
OSBORN	0991827	8/27/74
OSBORN	0987058	6/25/74
OSBORN	0988709	7/23/74
OSBORN	0992346	9/3/74
OSBORN	0987773	7/9/74
OSBORN	0779410	11/3/64
OSBORN	0745621	2/26/63
PLASTIGLUE	2208526	12/8/98
POWER TUBE	1414988	10/28/96
PROFILE	1492289	6/14/88
QUADY	0691623	1/19/60
RAM-JOLT	0781733	12/15/64
RD	0985758	6/11/74

<u>MARK</u>	<u>REG. NUMBER</u>	<u>REG. DATE</u>
RIEHL	0704587	9/20/60
SCUF-GARD	0711654	2/21/61
SEALEZE	2401489	11/7/00
SIBOT	0704278	9/13/60
SITUFT	0417141	10/16/45
SLAG-BUSTER	1271541	3/27/84
SOFTOOL	1793403	9/21/93
SPEEDIE	1255712	11/1/83
SPRAY-IT	1303353	11/6/84
STRAT-O-SHEEN	1039967	5/25/76
SYNTEX	2536226	2/15/02
SYNTEX PLUS	2536229	2/5/02
TRUSPEC	1420114	12/9/86
ULTRA-GRIT	1570671	12/12/89
ULTRA-TECH	2205307	11/24/98
UNI-LOK	1412046	10/7/86
UNI-MASTER	0773602	7/21/64

** This mark is licensed to Jason Inc.

*** To be allowed to lapse.

Trademark Applications:

<u>MARK</u>	<u>APP. NUMBER</u>	<u>APP. DATE</u>
DYNAFLEX	76/483306	1/21/03
LEAROCK	76/539467	8/11/03

Schedule 2.1

COMMERCIAL TORT CLAIMS

None.

Schedule 3.3

FINANCING STATEMENTS AND OTHER NECESSARY FILINGS

Pledgor	Jurisdiction to File UCC-1 Financing Statement
Jason Incorporated	Wisconsin
Jason Ohio Corporation	Ohio
Jason Nevada, Inc.	Nevada
Braden Nevada, Inc.	Nevada
JacksonLea Holdings, Inc. (f/k/a Deltak Nevada, Inc.)	Nevada
Advance Wire Products, Inc.	Illinois
Assembled Products, Inc.	Illinois
Metalex Corporation	Illinois
Jason International Holdings, Inc.	Nevada

Schedule 3.9

INSTRUMENTS AND CHATTEL PAPER

None.

Schedule 4.6

LOCATIONS OF PLEDGORS

Pledgor - Legal Name	Type of Organization and Jurisdiction of Organization	Chief Executive Office	Federal Taxpayer Identification Number (Organizational Identification Number)
Jason Incorporated	Corporation - Wisconsin	411 East Wisconsin Avenue Suite 2120 Milwaukee, WI 53202	39-1756840
Jason Ohio Corporation	Corporation - Ohio	7020 Vine Street Cincinnati, Ohio 45216	31-1349970
Jason Nevada, Inc.	Corporation - Nevada	3993 Howard Hughes Parkway Suite 100 Las Vegas, Nevada 89109	88-0389791
Braden Nevada, Inc.	Corporation - Nevada	3993 Howard Hughes Parkway Suite 100 Las Vegas, Nevada 89109	88-0391819
JacksonLea Holdings, Inc. (f/k/a Deltak Nevada, Inc.)	Corporation - Nevada	3993 Howard Hughes Parkway Suite 100 Las Vegas, Nevada 89109	88-0391818
Advance Wire Products, Inc.	Corporation - Illinois	201 Swift Road Addison, Illinois 60101-1495	36-4486713
Assembled Products, Inc.	Corporation - Illinois	301 Hastings Drive Buffalo Grove, Illinois 60089	36-4486708
Metalex Corporation	Corporation - Illinois	1530 Artaius Parkway Libertyville, Illinois 60048	36-4486707
Jason International Holdings, Inc.	Corporation - Nevada	3993 Howard Hughes Parkway Suite 100 Las Vegas, Nevada 89109	75-3027730

Schedule 4.10

PRIOR CORPORATE NAMES AND TRANSACTIONS

Corporate or Fictitious Names

Jason Incorporated
Jason Ohio Corporation
Jason Nevada, Inc.
Braden Nevada, Inc.
Braden Manufacturing, Inc.
Deltak Nevada, Inc.
Deltak Corporation
Jason Merger Corp.
Assembled Products
Metalex Corp.
Metalex, Inc.
Janesville Products
AMCA International Corp.
Sackner Products
Sackner Products Furniture & Industrial Division
Amtel, Inc.
Milsco Manufacturing
Koller Mfg.
Koller Group
Jason/Jackson Incorporated
Jason Michigan, Inc.
Jason Mississippi, Inc.
Jason Wisconsin Incorporated
Sealeze
Osborn Manufacturing Corp.
Jason Missouri Incorporated
Jackson Buff
JacksonLea Holdings, Inc.
Advance Wire Products, Inc.
Assembled Products, Inc.
Metalex Corporation
Jason International Holdings, Inc.
Calendar Acquisition Corp.
Atlanta Brush Company

Mergers, Consolidations and Asset Acquisitions

Sale and Purchase Agreement between Lear Corporation UK Interior Systems, Limited, Janesville Products Limited, and Jason Incorporated relating to the Fibre and Moulded Fibre Business at Spring Gardens Mill, dated January 29, 1999.

Purchase and Sale of Assets from Sealeze Corporation to Jason Incorporated, dated February 2, 1999.

Asset Purchase Agreement between Osborn International AB and Sinjet System AB, Sinjet Maskin AB, and Sinjet Nassjo Borst AB, dated December 1, 1999.

Purchase and Sale Agreement between M-C Finishing Supplies and JacksonLea, a Unit of Jason Incorporated, dated February 28, 2000.

Purchase and Sale Agreement between Global Product Systems, Inc. and JacksonLea, a Unit of Jason Incorporated, dated February 28, 2000.

Purchase and Sale Agreement between California Buff Company, Inc. and JacksonLea, a Unit of Jason Incorporated, dated February 28, 2000.

Purchase and Sale Agreement between Atlanta Brush Company and Jason Incorporated, dated September 29, 2000.

Contract on Transfer of Company between Maltarp Manufacturing A/S and A/S Borstefabriken DAN, dated December 1, 2000.

Contract on Transfer of Company between Industrial Brushes (Leicester) Limited and Osborn International Limited, dated December 1, 2000.

Asset Purchase Agreement between American Buff Company de Mexico, SA de CV and JacksonLea de Mexico, SA de CV, dated December 11, 2000.

Asset Purchase Agreement between Rosber, SA de CV and JacksonLea de Mexico, SA de CV, dated May 3, 2001

Asset Purchase Agreement between Servicio de Maquinaria y Bienes, SA de CV and JacksonLea de Mexico, SA de CV, dated May 3, 2001.

Purchase and Sale Agreement between F.L. & J.C. Codman Company and Jason Incorporated, dated December 3, 2001.

Share Transfer and License Agreement between Ring Step International Limited and Jason Incorporated, dated January 9, 2002.

Share Sale and Purchase Agreement between Astro Brushes SL and Jason Holdings Spain SL, dated December 31, 2002.

Asset Purchase Agreement between Leggett & Platt Incorporated and Jason Incorporated, dated February 21, 2003.

Merger of JacksonLea Canada, Inc. into Jason Canada, Inc., with adoption of name of JacksonLea Canada, Inc., dated January 1, 2004.

Schedule 4.15

REQUIRED CONSENTS

1. The consents set forth in Amendment and Waiver No.3 to Credit Agreement, dated as of the date hereof, by and among Issuer, Collateral Agent and certain other parties thereto.

Schedule 7.3

VIOLATIONS OR PROCEEDINGS

None.

Schedule 8.1**ACCOUNTS**

Pledgor	Bank Name	Account Number	Purpose
Jason Incorporated	Bank One	121611035	To be used solely for payroll
	Bank One	646927095	To be used solely for payroll
	Fifth Third Bank	1000423	To be used solely for payroll
	Fifth Third Bank	2630779	To be used solely for payroll
	Huntington National Bank	1280021934	To be used solely for worker's compensation
	Huntington National Bank	1280021921	To be used solely for worker's compensation
	KeyBank	1034500194	To be used solely for payroll
	National City Bank	690410	To be used solely for payroll
	M&I Marshall & Ilsley Bank	15-02-072	To be used solely for health and welfare
	M&I Marshall & Ilsley Bank	89-0123-01-1	To be used solely for health and welfare
	M&I Marshall & Ilsley Bank	0024114849	To be used solely for payroll
	Wachovia Bank	2000138566935	To be used solely for as a deposit account and for payroll for Atlanta Brush
	Wachovia Bank	2076018021896	To be used solely for payroll
	Wachovia Bank	2079018537882	To be used solely for payroll
Assembled Products, Inc.	U.S. Bank	000121531756	To be used solely for payroll
Advance Wire Products, Inc.	Bank One	2135077170103	To be used solely for payroll
Metalex Corporation	Bank One	5813441	To be used solely for payroll

EXHIBIT 1

ISSUER ACKNOWLEDGMENT

The undersigned hereby (i) acknowledges receipt of a copy of that certain security agreement (as amended, amended and restated, supplemented or otherwise modified from time to time, the "Security Agreement"; capitalized terms used but not otherwise defined herein shall have the meanings assigned to such terms in the Security Agreement), dated as of February 9, 2004 among Jason Incorporated (the "Issuer"), the Subsidiary Guarantors from time to time party thereto, and Credit Agricole Indosuez, as Collateral Agent (in such capacity and together with any successors in such capacity, the "Collateral Agent"), (ii) agrees promptly to note on its books the security interests granted to the Collateral Agent and confirmed under the Security Agreement, (iii) agrees that it will comply with instructions of the Collateral Agent with respect to the applicable Securities Collateral without further consent by the applicable Pledgor, (iv) agrees to notify the Collateral Agent upon obtaining knowledge of any interest in favor of any Person in the applicable Securities Collateral that is adverse to the interest of the Collateral Agent therein and (v) waives any right or requirement at any time hereafter to receive a copy of the Security Agreement in connection with the registration of any Securities Collateral thereunder in the name of the Collateral Agent or its nominee or the exercise of voting rights in accordance with the Security Agreement by the Collateral Agent or its nominee.

[NAME OF ISSUER]

By: _____
Name:
Title:

EXHIBIT 2

SECURITY AGREEMENT AMENDMENT

This Pledge Amendment ("Pledge Agreement"), dated as of [_____, ____], is delivered pursuant to Section 6.1 of that certain security agreement (as amended, amended and restated, supplemented or otherwise modified from time to time, the "Security Agreement"; capitalized terms used but not otherwise defined herein shall have the meanings assigned to such terms in the Security Agreement), dated as of February 9, 2004, among the undersigned, the Issuer, the Subsidiary Guarantors from time to time party thereto, and Credit Agricole Indosuez, as Collateral Agent (in such capacity and together with any successors in such capacity, the "Collateral Agent"). The undersigned hereby agrees that this Pledge Amendment may be attached to the Security Agreement and that the Pledged Securities and/or Intercompany Notes listed on this Pledge Amendment shall be deemed to be and shall become part of the Pledged Collateral and shall secure all Secured Obligations.

as Pledgor

By: _____
Name:
Title:

PLEDGED SECURITIES

<u>ISSUER</u>	<u>CLASS OF STOCK</u>	<u>PAR VALUE</u>	<u>CERTIFICATE NO(S).</u>	<u>NUMBER OF SHARES</u>	<u>PERCENTAGE OF ALL ISSUED CAPITAL OR OTHER EQUITY INTERESTS OF ISSUER</u>
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INTERCOMPANY NOTES

<u>ISSUER</u>	<u>PRINCIPAL AMOUNT</u>	<u>DATE OF ISSUANCE</u>	<u>INTEREST RATE</u>	<u>MATURITY DATE</u>
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EXHIBIT 3

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

[Date]

Credit Agricole Indosuez,
 as Collateral Agent
 under the Security Agreement
 referenced below
 666 Third Avenue
 New York, New York 10017

Ladies and Gentlemen:

Reference is made to that certain security agreement (as amended, amended and restated, supplemented or otherwise modified from time to time, the "Security Agreement"; capitalized terms used but not otherwise defined herein shall have the meanings assigned to such terms in the Security Agreement), dated as of February 9, 2004, among Jason Incorporated (the "Issuer"), each of the Subsidiary Guarantors listed on the signature pages thereto or from time to time party thereto by execution of a joinder agreement, and Credit Agricole Indosuez, as Collateral Agent (in such capacity and together with any successors in such capacity the "Collateral Agent").

This letter supplements the Security Agreement and is delivered by the undersigned, _____, a Domestic Subsidiary of the Issuer (the "New Pledgor"), pursuant to Section 3.5 of the Security Agreement. The New Pledgor hereby agrees to be bound as a Subsidiary Guarantor and as a Pledgor by all of the terms, covenants and conditions set forth in the Security Agreement to the same extent that it would have been bound if it had been a signatory to the Security Agreement on the execution date of the Security Agreement. The New Pledgor hereby makes each of the representations and warranties and agrees to each of the covenants applicable to the Pledgors contained in the Security Agreement.

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

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

THIS AGREEMENT SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK, EXCLUDING (TO THE GREATEST EXTENT PERMITTED BY LAW) ANY

RULE OF LAW THAT WOULD CAUSE THE APPLICATION OF THE LAWS OF ANY JURISDICTION OTHER THAN THE STATE OF NEW YORK.

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

[NEW PLEDGOR]

By: _____
Name:
Title:

AGREED TO AND ACCEPTED:

CREDIT AGRICOLE INDOSUEZ,
as Collateral Agent

By: _____
Name:
Title:

By: _____
Name:
Title:

[Schedules to be attached]

EXHIBIT 4(a)

CONTROL AND CONSENT ACKNOWLEDGMENT AND AGREEMENT CONCERNING DESIGNATED ACCOUNTS¹

This Control and Consent Acknowledgment and Agreement Concerning Designated Accounts (the "Control Agreement"), dated as of [_____, ____] among _____ (the "Pledgor"), the Collateral Agent (as hereinafter defined) and [_____] (the "Securities Intermediary"), is delivered pursuant to Section 8.1(i) of each of those two security agreements (as amended, amended and restated, supplemented or otherwise modified from time to time, respectively, the "First Priority Security Agreement" and the "Second Priority Security Agreement" and, together, the "Security Agreements"); capitalized terms used but not otherwise defined herein shall have the meanings assigned to such terms in the Security Agreements), each dated as of February __, 2004, made by the Pledgor and each of the other pledgors listed on the signature pages thereto in favor of Credit Agricole Indosuez, as Collateral Agent (in such capacity and together with any successors in such capacity, the "Collateral Agent") for the benefit of Secured Parties referred to in each of the Security Agreements. Pursuant to each Security Agreement, the Pledgor has granted to the Collateral Agent a security interest in Investment Collateral and other Pledged Collateral described therein and each Security Agreement contemplates that such Investment Collateral will be maintained in one or more Designated Accounts (as hereinafter defined). All references herein to the "UCC" shall mean the Uniform Commercial Code as in effect in the State of New York on the date hereof.

¹ This Agreement should be conformed as appropriate when needed for a commodities account.

Section 1. Confirmation of Establishment and Maintenance of Designated Accounts. The Securities Intermediary hereby confirms that (i) the Securities Intermediary has established for the Pledgor and maintains the securities account(s) listed in Schedule 1 attached hereto (such account(s), together with each such other securities account maintained by the Pledgor with the Securities Intermediary collectively, the “Designated Accounts” and each a “Designated Account”), (ii) each of the Designated Accounts is a “securities account” as such term is defined in Section 8-501(a) of the UCC, (iii) the Securities Intermediary shall, subject to the terms of this Control Agreement and the Security Agreements, treat the Pledgor as entitled to exercise the rights that comprise any financial asset which is Pledged Collateral and which is credited to a Designated Account and (iv) all securities or other property underlying any financial assets which constitute Pledged Collateral and which are credited to any Designated Account shall be registered in the name of the Securities Intermediary, indorsed to the Securities Intermediary or in blank or credited to another securities account maintained in the name of the Securities Intermediary and in no case will any financial asset credited to any Designated Account be registered in the name of the Pledgor, payable to the order of the Pledgor or specially indorsed to the Pledgor except to the extent the foregoing have been specially indorsed to the Securities Intermediary or in blank. For avoidance of doubt, it is noted that the term “Designated Accounts” as used in the Security Agreements means both the Designated Accounts hereunder and the “Designated Accounts” in the comparable agreement entered into with respect to any other Pledgor.

Section 2. “Financial Assets” Election. The Securities Intermediary hereby agrees that each item of Pledged Collateral (whether investment property, financial asset, security, instrument or cash) credited to any Designated Account shall be treated as a “financial asset” within the meaning of Section 8-102(a)(9) of the UCC.

Section 3. Entitlement Order. If at any time the Securities Intermediary shall receive an “entitlement order” (within the meaning of Section 8-102(a)(8) of the UCC) issued by the Collateral Agent and relating to Investment Collateral or other Pledged Collateral maintained in one or more of the Designated Accounts, the Securities Intermediary shall comply with such entitlement order without further consent by the Pledgor or any other Person.

Section 4. Subordination of Lien; Waiver of Set-Off. In the event that the Securities Intermediary has or subsequently obtains by agreement, operation of law or otherwise a security interest in any Designated Account or any Pledged Collateral, the Securities Intermediary hereby agrees that such security interest shall be subordinate to the security interest of the Collateral Agent. The financial assets and other items deposited to any Designated Account and constituting Pledged Collateral will not be subject to deduction, set-off, banker's lien, or any other right in favor of any Person other than the Collateral Agent (except that the Securities Intermediary may set off (i) all amounts due to the Securities Intermediary in respect of its customary fees and expenses for the routine maintenance and operation of the Designated Accounts, including overdraft fees and amounts advanced to settle authorized transactions, and (ii) the face amount of any checks or other items which have been credited to any Designated Account but are subsequently returned unpaid because of uncollected or insufficient funds).

Section 5. Choice of Law. Both this Control Agreement and the Designated Accounts shall be governed by the laws of the State of New York. Regardless of any provision in any other agreement, for purposes of the UCC, New York shall be deemed to be the Securities Intermediary's location and the Designated Accounts (as well as the security entitlements related thereto) shall be governed by the laws of the State of New York.

Section 6. Conflict with Other Agreements; Amendments. As of the date hereof, there are no other agreements entered into between the Securities Intermediary and the Pledgor with respect to any Designated Account or any security entitlements or other financial assets credited thereto. The Securities Intermediary and the Pledgor will not enter into any other agreement with respect to any Designated Account unless the Collateral Agent shall have received prior written notice thereof. The Securities Intermediary and the Pledgor will not enter into any other agreement with respect to creation or perfection of any security interest in, or control of, security entitlements maintained in any of the Designated Accounts unless the mechanism for identifying such security interest on the records of the Securities Intermediary, and on the reports provided to the Collateral Agent, has been approved in writing by the Collateral Agent. In the event of any conflict with respect to the Pledged Collateral between this Control Agreement (or any portion hereof) and any other agreement now existing or hereafter entered into, the terms of this Control Agreement shall prevail. No amendment or modification of this Control Agreement or waiver of any right hereunder shall be binding on any party hereto unless it is in writing and is signed by all the parties hereto.

Section 7. Certain Agreements. (i) The Securities Intermediary acknowledges receipt of a copy of each Security Agreement.

(ii) The Securities Intermediary has furnished to the Collateral Agent and the Pledgor the most recent account statement issued by the Securities Intermediary with respect to each of the Designated Accounts and the financial assets and cash

balances held therein. The account statement for each Designated Account identifies the Investment Collateral held therein in the manner set forth on Exhibit B attached hereto. The Securities Intermediary represents and warrants to the Collateral Agent that each such statement accurately reflects the assets held in such Designated Account as of the date thereof.

(iii) The Securities Intermediary will, upon its receipt of each supplement to either Security Agreement signed by the Pledgor and identifying one or more security entitlements or other financial assets as "Investment Collateral," mark the records of the Securities Intermediary with respect to the applicable Designated Account in the manner set forth on Exhibit B hereto for each such security entitlement or other financial asset.

(iv) The Collateral Agent has delivered to the Securities Intermediary a list, signed by an authorized representative (the "Authorized Representative"), of the officers of the Collateral Agent authorized to give approvals or instructions under this Control Agreement (including notices and other instructions under Section 9 hereof) and the Securities Intermediary shall be entitled to rely on communications from such authorized officers until notified by the Authorized Representative of a change.

Section 8. Notice of Adverse Claims. Except for the claims and interest of the Collateral Agent and of the Pledgor in the Investment Collateral and other Pledged Collateral, the Securities Intermediary on the date hereof does not know of any claim to, or security interest in, any Designated Account or in any "financial asset" (as defined in Section 8-102(a) of the UCC) credited thereto and does not know of any claim that any Person other than the Collateral Agent has been given "control" of any Designated Account or any such financial asset. If any Person asserts any lien, encumbrance or adverse claim (including any writ, garnishment, judgment, warrant of attachment, execution or similar process and any claim of "control") against any of the Investment Collateral or in any financial asset carried in any Designated Account constituting Pledged Collateral, the Securities Intermediary will promptly notify the Collateral Agent and the Pledgor thereof.

Section 9. Maintenance of Designated Accounts. In addition to, and not in lieu of, the obligation of the Securities Intermediary to honor entitlement orders as agreed in Section 3 hereof, the Securities Intermediary agrees to maintain the Designated Accounts as follows:

(v) Notice of Sole Control. If at any time the Collateral Agent delivers to the Securities Intermediary a notice of sole control in substantially the form set forth in Exhibit A attached hereto (the "Notice of Sole Control") with respect to any Investment Collateral or other Pledged Collateral, the Securities Intermediary agrees that, after receipt of such notice, it will take all instruction with respect to such

Investment Collateral or other Pledged Collateral solely from the Collateral Agent; provided, however, that the Collateral Agent agrees that the Notice of Sole Control may only be delivered after an Event of Default has occurred and is continuing. Permitting settlement of trades pending at the time of receipt of such notice shall not constitute a violation of the immediately preceding sentence. Without limiting the generality of the first sentence of this paragraph, upon receipt of a Notice of Sole Control, the Securities Intermediary shall no longer permit any trading with respect to the applicable Investment Collateral to be initiated by the Pledgor or any representative of, or investment manager appointed by, the Pledgor and the Securities Intermediary shall follow all instructions given by an authorized officer of the Collateral Agent, including without limitation instructions for distribution or transfer of any Investment Collateral or other Pledged Collateral in any Designated Account to be made to the Collateral Agent.

(vi) Voting Rights. Until such time as the Securities Intermediary receives a Notice of Sole Control pursuant to clause (i) of this Section, the Pledgor, or an investment manager on behalf of the Pledgor, shall direct the Securities Intermediary with respect to the voting of any Investment Collateral or other financial assets constituting Pledged Collateral credited to any Designated Account.

(vii) Permitted Dispositions. Until such time as the Securities Intermediary receives either a Notice of Sole Control signed by the Collateral Agent with respect to some or all of the Investment Collateral and other Pledged Collateral or a notice signed by the Collateral Agent that a proposed sale, exchange or transfer of certain Investment Collateral by or on behalf of the Pledgor will violate either Security Agreement, a Pledgor, or any representative of, or investment manager appointed by, a Pledgor, shall direct the Securities Intermediary with respect to the sale, exchange or transfer of such Investment Collateral held in a Designated Account.

(viii) Statements and Confirmations. The Securities Intermediary will promptly send copies of all statements and other correspondence (excluding routine confirmations) concerning any Designated Account or any financial assets constituting Pledged Collateral credited thereto simultaneously to each of the Pledgor and the Collateral Agent at the address set forth in Section 12 hereof. The Securities Intermediary will promptly provide to the Collateral Agent and to the Pledgor, upon the Collateral Agent's request therefor from time to time (which may be as frequently as daily and is expected to be at least as frequently as weekly), and in any event as of the last business day of each calendar month, a statement of the market value of each item of the Investment Collateral in each Designated Account.

(ix) Bailee for Perfection. The Securities Intermediary acknowledges that, in the event that it should come into possession of any certificate representing any

security or other assets held as Investment Collateral in any of the Designated Accounts, the Securities Intermediary shall retain possession of the same for the benefit of the Collateral Agent (and such act shall cause the Securities Intermediary to be deemed a bailee for the Collateral Agent, if necessary) to perfect the Collateral Agent's security interest in such securities or assets. The Securities Intermediary hereby acknowledges its receipt of a copy of each Security Agreement as notice to the Securities Intermediary regarding notice of a security interest in collateral held by a bailee.

(x) Certain Matters Relating to Interest, Dividends, etc. Until receipt of a Notice of Sole Control with respect to some or all of the Investment Collateral (or of a notice from the Collateral Agent, making reference to this Section 9(vi), that an Event of Default, as defined in either Security Agreement, has occurred and is continuing), the Securities Intermediary shall have no responsibility to furnish reports to the Collateral Agent with respect to, or to segregate or otherwise account to the Collateral Agent for, dividends, interest or other amounts received in Designated Accounts with respect to Investment Collateral.

Section 10. Representations, Warranties and Covenants of the Securities Intermediary. The Securities Intermediary hereby makes the following representations, warranties and covenants:

(i) The Designated Accounts have been established as set forth in Section 1 hereof and each Designated Account will be maintained in the manner set forth herein until termination of this Control Agreement. The Securities Intermediary shall not change the name or account number of any Designated Account without the prior written consent of the Collateral Agent and the Pledgor (which consent shall not be unreasonably withheld by either Collateral Agent or Pledgor).

(ii) No financial asset constituting Investment Collateral is or will be registered in the name of the Pledgor, payable to its order or specially indorsed to it, except to the extent such financial asset has been indorsed to the Securities Intermediary or in blank.

(iii) This Control Agreement is the valid and legally binding obligation of the Securities Intermediary.

(iv) The Securities Intermediary has not entered into any agreement with any other Person pursuant to which it has agreed to comply with entitlement orders (as defined in Section 8-102(a)(8) of the UCC) with respect to financial assets credited to any Designated Account. Until the termination of this Control Agreement, the Securities Intermediary will not enter into any agreement with any other Person

pursuant to which it agrees to comply with entitlement orders with respect to Investment Collateral. Until the termination of this Control Agreement, the Securities Intermediary will not, without the written approval of the Collateral Agent and the Pledgor (which shall not be unreasonably withheld), enter into any agreement with any Person relating to any Designated Account or any financial assets credited thereto pursuant to which it agrees to comply with entitlement orders of such Person.

The Securities Intermediary has not entered into any other agreement with the Pledgor or Collateral Agent purporting to limit or condition the obligation of the Securities Intermediary to comply with entitlement orders as set forth in Section 3 hereof.

Section 11.Successors. The terms of this Control Agreement shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective corporate successors.

Section 12.Notices. Any notice, request or other communication required or permitted to be given under this Control Agreement shall be in writing and deemed to have been properly given when delivered in person, or when sent by telecopy or other electronic means and electronic confirmation of error free receipt is received or two days after being sent by certified or registered United States mail, return receipt requested, postage prepaid, addressed to the party at the address set forth below.

Pledgor:

c/o Jason Incorporated
411 East Wisconsin Avenue
Suite 2120
Milwaukee, Wisconsin 53202
Attn: Chief Executive Officer
Telecopy: (414) 277-9445

With a copy to:

Saw Mill Capital L.L.C.
555 Pleasantville Road
South Building, Suite 220
Briarcliff Manor, NY 10510
Attn: Howard Unger and John Shaia
Telecopy: (914) 741-9099

Collateral Agent:

Credit Agricole Indosuez
666 Third Avenue
New York, New York 10017
Attn: Michael Walsh
Telecopy: (646) 658-2203

with a copy to: Golden Tree Asset Management, as Lead Investor
300 Park Avenue
25th Floor
New York, NY 10022
Attention: Jonathan Ezrow
Telephone: (212) 847-3438
Facsimile: (212) 847-3535
E-mail: jezrow@gtam.net
(or such other Lead Investor as shall from time to time be designated pursuant to the terms of the Note Purchase Agreement)

Securities Intermediary:

[Securities Intermediary's Address]

Attn:

Any party may change its address for notices in the manner set forth above.

Section 13. Termination. The rights and powers granted herein to the Collateral Agent have been granted in order to perfect its security interests in the Investment Collateral and other Pledged Collateral maintained in the Designated Accounts, are powers coupled with an interest and will be affected neither by the bankruptcy of the Pledgor nor by the lapse of time. The obligations of the Securities Intermediary hereunder shall continue in effect until the security interests of the Agent with respect to the Investment Collateral and other Pledged Collateral have been terminated pursuant to the terms of each Security Agreement and an authorized representative of the Collateral Agent has notified the Securities Intermediary of such termination in writing, which notification shall be made promptly (and in no event in more than five business days).

Section 14. Counterparts. This Control Agreement may be executed in any number of counterparts, all of which shall constitute one and the same instrument, and any party hereto may execute this Control Agreement by signing and delivering one or more counterparts.

[PLEDGOR]

By: _____
Name:
Title:

CREDIT AGRICOLE INDOSUEZ,
as Collateral Agent

By: _____
Name:
Title:

[SECURITIES INTERMEDIARY],
as Securities Intermediary

By: _____
Name:
Title:

EXHIBIT A

[Letterhead of Agent]

[Date]

[Securities Intermediary]

[Address]

Attention:

Re: Notice of Sole Control

Ladies and Gentlemen:

As referenced in Section 9(i) of the Control and Consent Acknowledgment and Agreement Concerning Designated Accounts dated as of [date], among [Pledgor], us and you (the "Control Agreement"; capitalized terms used but not defined herein shall have the meanings assigned to such terms in the Control Agreement) (a copy of which is attached) we hereby give you notice of our sole control over the Investment Collateral and other financial assets constituting Pledged Collateral maintained in the securities accounts, account numbers _____ (the "Specified Designated Accounts"). You are hereby instructed not to accept any direction, instructions or entitlement order with respect to Investment Collateral maintained in the Specified Designated Accounts or the financial assets constituting Pledged Collateral credited thereto from any Person other than the undersigned, unless otherwise ordered by a court of competent jurisdiction.

You are instructed to deliver a copy of this notice by facsimile transmission to [Pledgor].

Very truly yours,

CREDIT AGRICOLE INDOSUEZ,
as Collateral Agent

By: _____
Name:
Title:

cc: [Pledgor]

EXHIBIT B

This is Exhibit B to the Control and Consent Acknowledgment and Agreement Concerning Designated Accounts, dated as of [date] (the "Control Agreement"; capitalized terms used but not defined herein shall have the meanings assigned to such terms in the Control Agreement), among [Pledgor], Credit Agricole Indosuez, as Collateral Agent, and [_____], as Securities Intermediary.

The Securities Intermediary will enter into its records, including computer records, with respect to each Designated Account a notation with respect to Investment Collateral so that such records and reports generated with respect thereto identify the Investment Collateral as "Pledged".

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CONTROL AGREEMENT CONCERNING DEPOSIT ACCOUNTS

This CONTROL AGREEMENT CONCERNING DEPOSIT ACCOUNTS (this “Control Agreement”), dated as of [], by and among [] (the “Pledgor”), the Collateral Agent (as hereinafter defined) and [] (the “Bank”), is delivered pursuant to Section 8.1(i) of each of those two security agreements (as amended, amended and restated, supplemented or otherwise modified from time to time, respectively, the “First Priority Security Agreement” and the “Second Priority Security Agreement” and, together, the “Security Agreements”), each dated as of [], 2004 made by the Pledgor and each of the Guarantors listed on the signature pages thereto in favor of Credit Agricole Indosuez, as Collateral Agent (in such capacity and together with any successors in such capacity, the “Collateral Agent”) for the benefit of Secured Parties referred to in each of the Security Agreements. This Control Agreement is for the purpose of perfecting the security interests of the respective Secured Parties under each of the Security Agreements granted by the Pledgor in the Designated Accounts described below. All references herein to the “UCC” shall mean the Uniform Commercial Code as in effect from time to time in the State of New York. Capitalized terms used but not defined herein shall have the meanings assigned to such terms in the Security Agreements.

Section 1. Confirmation of Establishment and Maintenance of Designated Accounts. The Bank hereby confirms and agrees that (i) the Bank has established for the Pledgor and maintains the deposit account(s) listed in Schedule 1 annexed hereto (such account(s), together with each such other deposit account maintained by the Pledgor with the Bank collectively, the “Designated Accounts” and each a “Designated Account”), (ii) each Designated Account will be maintained in the manner set forth herein until termination of this Control Agreement, (iii) the Bank is a “bank,” as such term is defined in the UCC, (iv) this Control Agreement is the valid and legally binding obligation of the Bank and (v) each Designated Account is a “deposit account” as such term is defined in Article 9 of the UCC.

Section 2. Control. The Bank shall comply with instructions originated by the Collateral Agent without further consent of the Pledgor or any person acting or purporting to act for the Pledgor being required, including, without limitation, directing the disposition of funds in each Designated Account. The Bank shall also comply with instructions directing the disposition of funds in each Designated Account originated by the Pledgor or its authorized representatives until such time as the Collateral Agent delivers a Notice of Sole Control pursuant to Section 8(i) hereof to the Bank.

Section 3. Subordination of Lien; Waiver of Set-Off. The Bank hereby agrees that any security interest in any Designated Account it now has or subsequently obtains shall be subordinate to the security interest of the Collateral Agent. The funds deposited into any

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38 Designated Account will not be subject to deduction, set-off, banker's lien, or any other right in
39 favor of any person other than the Collateral Agent (except that the Bank may set off (i) all
40 amounts due to the Bank in respect of its customary fees and expenses for the routine
41 maintenance and operation of the Designated Accounts, including overdraft fees, and (ii) the face
42 amount of any checks or other items which have been credited to any Designated Account but
43 are subsequently returned unpaid because of uncollected or insufficient funds).

44 Section 4. Choice of Law. Both this Control Agreement and the Designated
45 Account(s) shall be governed by the laws of the State of New York. Regardless of any provision
46 in any other agreement, for purposes of the UCC, New York shall be deemed to be the Bank's
47 jurisdiction and the Designated Account(s) shall be governed by the law of the State of New
48 York.

49 Section 5. Conflict with Other Agreements; Amendments. As of the date
50 hereof, there are no other agreements entered into between the Bank and the Pledgor with respect
51 to any Designated Account or any funds credited thereto (other than standard and customary
52 documentation with respect to the establishment and maintenance of such Designated Accounts).
53 The Bank and the Pledgor will not enter into any other agreement with respect to any Designated
54 Account unless the Collateral Agent shall have received prior written notice thereof. The Bank
55 and the Pledgor have not and will not enter into any other agreement with respect to control of
56 the Designated Accounts or purporting to limit or condition the obligation of the Bank to comply
57 with any orders or instructions with respect to any Designated Account as set forth in Section 2
58 hereof without the prior written consent of the Collateral Agent acting in its sole discretion. In
59 the event of any conflict with respect to control over any Designated Account between this
60 Control Agreement (or any portion hereof) and any other agreement now existing or hereafter
61 entered into, the terms of this Control Agreement shall prevail. No amendment or modification
62 of this Control Agreement or waiver of any right hereunder shall be binding on any party hereto
63 unless it is in writing and is signed by all the parties hereto.

64 Section 6. Certain Agreements.

65 (i) The Bank has furnished to the Collateral Agent and the Pledgor the most
66 recent account statement issued by the Bank with respect to each of the Designated
67 Accounts and the cash balances held therein. Each such statement accurately reflects the
68 assets held in such Designated Account as of the date thereof.

69 (ii) The Collateral Agent has delivered to the Bank a list, signed by an
70 authorized representative, of the officers of the Collateral Agent authorized to give
71 approvals or instructions under this Control Agreement (the "Authorized
72 Representatives") and the Bank shall be entitled to rely on communications from any
73 such authorized officers until the earlier of the termination of this Control Agreement in

74 accordance with the terms hereof and notification by an Authorized Representative of a
75 change in such list at any time.

76 Section 7. Notice of Adverse Claims. Except for the claims and interest of
77 the Collateral Agent and of the Pledgor in the Designated Account(s), the Bank on the date
78 hereof does not know of any claim to, or security interest in, any Designated Account or in any
79 funds credited thereto and does not know of any claim that any person other than the Collateral
80 Agent has been given control (within the meaning of Section 8-106 of the UCC) of any
81 Designated Account or any such funds. If the Bank becomes aware that any person is asserting
82 any lien, encumbrance or adverse claim (including any writ, garnishment, judgment, warrant of
83 attachment, execution or similar process or any claim of control) against any funds in any
84 Designated Account, the Bank will promptly notify the Collateral Agent and the Pledgor thereof.

85 Section 8. Maintenance of Designated Accounts. In addition to the
86 obligations of the Bank in Section 2 hereof, the Bank agrees to maintain the Designated
87 Accounts as follows:

88 (i) Notice of Sole Control. If at any time the Collateral Agent delivers to the
89 Bank a notice of sole control in substantially the form set forth in Exhibit A attached
90 hereto (the "Notice of Sole Control") with respect to any Designated Account, the Bank
91 agrees that, after receipt of such notice, it will take all instruction with respect to such
92 Designated Account solely from the Collateral Agent and cease taking instructions from
93 the Pledgor, including, without limitation, instructions for distribution or transfer of any
94 funds in any Designated Account; provided, however, that the Collateral Agent agrees
95 with the Pledgor that it shall not deliver the Notice of Sole Control so long as no Event of
96 Default has occurred and is continuing.

97 (ii) Statements and Confirmations. The Bank will send copies of all
98 statements and other correspondence (excluding routine confirmations) concerning any
99 Designated Account simultaneously to the Pledgor and the Collateral Agent at the
100 address set forth in Section 10 hereof. The Bank will promptly provide to the Collateral
101 Agent and the Pledgor, upon request therefor from time to time and, in any event, as of
102 the last business day of each calendar month, a statement of the cash balance in each
103 Designated Account. The Bank shall not change the name or account number of any
104 Designated Account without the prior written consent of the Collateral Agent.

105 Section 9. Successors; Assignment. The terms of this Control Agreement
106 shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective
107 corporate successors and permitted assignees.

108 Section 10. Notices. Any notice, request or other communication required or
109 permitted to be given under this Control Agreement shall be in writing and deemed to have been

110 properly given when delivered in person, or when sent by telecopy or other electronic means and
111 electronic confirmation of error free receipt is received or two (2) days after being sent by
112 certified or registered United States mail, return receipt requested, postage prepaid, addressed to
113 the party at the address set forth below.

114 Pledgor: _____
115 c/o Jason Incorporated
116 411 East Wisconsin Avenue
117 Suite 2120
118 Milwaukee, Wisconsin 53202
119 Attn: Chief Executive Officer
120 Telecopy: (414) 277-9445

121 With a copy to: Saw Mill Capital L.L.C.
122 555 Pleasantville Road
123 South Building, Suite 220
124 Briarcliff Manor, NY 10510
125 Attn: Howard Unger and John Shaia
126 Telecopy: (914) 741-9099

127 Collateral Agent: Credit Agricole Indosuez
128 666 Third Avenue
129 New York, New York 10017
130 Attn: Michael Walsh
131 Telecopy: (646) 658-2203

132 with a copy to: Golden Tree Asset Management, as Lead Investor
133 300 Park Avenue
134 25th Floor
135 New York, NY 10022
136 Attention: Jonathan Ezrow
137 Telephone: (212) 847-3438
138 Facsimile: (212) 847-3535
139 E-mail: jezrow@gtam.net
140 (or such other Lead Investor as shall from time to time be
141 designated pursuant to the terms of the Note Purchase
142 Agreement)

143 Bank: []
144 []
145 []
146 Attention:
147 Telecopy:
148 Telephone:

149 Any party may change its address for notices in the manner set forth above.

150 Section 11. Termination. The rights and powers granted herein to the
151 Collateral Agent are powers coupled with an interest and will be affected neither by the
152 bankruptcy of the Pledgor nor by the lapse of time. The obligations of the Bank hereunder shall
153 continue in effect until (i) the security interests granted by both of the Security Agreements with
154 respect to the Designated Account(s) have been terminated and an Authorized Representative has
155 notified the Bank of such termination in writing or (ii) thirty days following the Bank's delivery
156 of written notice of such termination to the Collateral Agent and Pledgor.

157 Section 12. Severability. If any term or provision set forth in this Agreement
158 shall be invalid or unenforceable, the remainder of this Agreement, other than those provisions
159 held invalid or unenforceable, shall be construed in all respects as if such invalid or
160 unenforceable term or provision were omitted.

161 Section 13. Counterparts. This Control Agreement may be executed in any
162 number of counterparts, all of which shall constitute one and the same instrument, and any party
163 hereto may execute this Control Agreement by signing and delivering one or more counterparts.

164

[]

165
166
167

By: _____
Name:
Title:

168
169

CREDIT AGRICOLE INDOSUEZ,
as Collateral Agent

170
171
172

By: _____
Name:
Title:

173

[],

174

as Bank

175
176
177

By: _____
Name:
Title:

178
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SCHEDULE 1

Designated Account(s)

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EXHIBIT A

[Letterhead of Credit Agricole Indosuez]

[Date]

[Bank]
[Address]

Attention: _____

Re: Notice of Sole Control

Ladies and Gentlemen:

As referenced in Section 8(i) of the Control Agreement Concerning Designated Accounts dated as of [_____], by and among [_____], us and you (the "Control Agreement") (a copy of which is attached) we hereby give you notice of our sole control over the Designated Account(s) referred to in the Control Agreement, having account number(s): _____ (the "Specified Designated Accounts"). You are hereby instructed not to accept any direction or instructions with respect to the Specified Designated Accounts or any funds credited thereto from any person other than the undersigned, unless otherwise ordered by a court of competent jurisdiction.

You are instructed to deliver a copy of this notice by facsimile transmission to

[Pledgor]

Very truly yours,

Credit Agricole Indosuez,
as Collateral Agent

By: _____
Name:
Title:

cc: [Pledgor]

EXHIBIT 5

LOCKBOX AGREEMENT

LOCKBOX AGREEMENT (the "Agreement"), dated as of _____, ____] by and among [_____], a [_____], ("Pledgor"), [_____], (the "Bank"), and Credit Agricole Indosuez, as pledgee, assignee and secured party, in its capacity as agent (in such capacities, "Collateral Agent"), for (i) the financial institutions (the "Lenders") from time to time party to the Credit Agreement (as hereinafter defined), and (ii) for each Holder (the "Holders") of the Company's Second Priority Senior Secured Notes from time to time issued and sold pursuant to the Note Purchase Agreement (as defined below).

R E C I T A L S :

A. Pursuant to that certain credit agreement, dated as of August 4, 2000 (as amended, amended and restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), by and among Jason Holdings, Inc. I, Jason Incorporated (the "Company")¹, the Lenders and Collateral Agent, the Lenders have agreed to (i) make to or for the account of [Pledgor or the Company]* certain Term Loans up to an aggregate principal amount of [_____] and certain Revolving Loans up to an aggregate principal amount of [_____] and (ii) issue certain Letters of Credit at the request of [Pledgor or the Company].*

B. Pursuant to that certain Note Purchase Agreement, dated as of February 9, 2004, (as amended, amended and restated, supplemented or otherwise modified from time to time, the "Note Purchase Agreement"), by and among Jason Holdings, Inc. I, the Company, and the purchasers named therein have agreed to purchase up to \$40 million of Notes.

C. In connection with the Credit Agreement and the Note Purchase Agreement, [Pledgor or the Company]* and each of the other Credit Parties (as defined in the Credit Agreement)[, including Pledgor,]² has granted to Collateral Agent, for its benefit and the benefit of the Lenders and the Holders, a security interest in their present and future Accounts, and the Proceeds (as hereinafter defined) thereof, and the Credit Parties[, including Pledgor,]** have agreed that all collections and proceeds of such Accounts shall be remitted in kind to Collateral Agent.

D. Pledgor has agreed to instruct all account debtors on the Accounts of Pledgor to remit to lock boxes established by Pledgor all payments to be made to Pledgor by checks or other drafts.

E. Pledgor has agreed to deposit in an account at the Bank all collections and proceeds of the Accounts (subject to the provisions of the Credit Documents (as such term is

¹ Insert "Pledgor" in the case of the Lock Box Agreement executed by the Company and "the Company" in the case of each Lock Box Agreement executed by any other Credit Party.

² Delete bracketed language in the case of the Lock Box Agreement executed by the Company; delete brackets in the case of Lock Box Agreements executed by any other Credit Party.

defined in the Credit Agreement) and the Note Documents (as such term is defined in the Note Purchase Agreement)) received in United States currency.

F. Collateral Agent and Pledgor desire to use the lock box service of the Bank and the Bank is willing to provide such service for Pledgor and Collateral Agent commencing as of [_____].

A G R E E M E N T :

NOW, THEREFORE, the parties hereto hereby agree as follows:

1. Post Office Box. The Bank will rent P.O. Box [] (the "Bank Lock Box") of the post office located at [] in the name of Pledgor. All account debtors on the Accounts of Pledgor have been, or will be, instructed to mail their remittances to the Bank Lock Box.
2. Access to Mail. The Bank will have exclusive and unrestricted access to the Bank Lock Box and will have complete and exclusive authority to receive, pick up and open all regular, registered, certified or insured mail addressed to the Bank Lock Box; provided, that all mail (other than checks (as defined below) or other Instruments) shall be forwarded by the Collateral Agent to the Pledgor. On written demand of Collateral Agent (a copy of which shall be sent to Pledgor), the Bank shall cease its processing of such mail, and shall release the same, in kind, to Collateral Agent, without the prior consent of Pledgor, and Collateral Agent shall thereafter process said mail promptly in accordance with this agreement; provided, that all mail (other than checks (as defined below) or other Instruments) shall be forwarded by the Collateral Agent to the Pledgor. The Bank shall not inquire into Collateral Agent's right to make such a demand under any agreement among Collateral Agent, Lenders and Pledgor, or among Collateral Agent, Holders and Pledgor, and shall be forever released of all obligations with respect to said remittances upon release to Collateral Agent. Pledgor shall have no control whatsoever over any mail, checks, money orders, collections or other forms of remittances received in any Lock Box. Appropriate instructions have been, or will be, given by the Bank to the United States Post Office where the Bank Lock Box is maintained, and such instructions shall not be revoked without the prior written consent of Collateral Agent. Except as permitted under Section 3 below, any instruction given to the Bank by Pledgor without the prior written agreement of Collateral Agent shall be void and of no force or effect. All mail addressed to the Bank Lock Box will be picked up by the Bank according to its regular collection schedule.
3. Remittance Collection. On the day received, the Bank will open all mail addressed to the Bank Lock Box and remove and inspect the enclosures. All checks, money orders and other forms or orders for the payment of money and other collection remittances (hereinafter collectively referred to as "checks") shall be processed by the Bank as follows:

(i) Missing Date. All undated checks will be dated by the Bank as of the postmark date and processed as hereafter provided.

(ii) Postdated. Checks postdated up to three days from date of receipt shall be processed on the date indicated on the check. The Bank shall not deposit checks postdated more than three days, but shall notify Collateral Agent by telephone of such checks and follow Collateral Agent's instructions for disposition of such checks.

(iii) Stale Date. Checks dated six months or more prior to the date of collection will not be deposited and shall be sent to Collateral Agent.

(iv) Different Amount. Where written and numeric amounts differ, a check will be processed by the Bank only if the correct amount can be determined from the accompanying documents, otherwise the check will not be deposited and shall be sent to Collateral Agent.

(v) Signature Missing. Checks which do not bear the drawer's signature and do not indicate the drawer's identity will not be deposited but shall be sent to Collateral Agent. If, as determined by the Bank, the drawer can be identified from the face of the check, the Bank will deposit and process the check by affixing a stamped impression requesting the drawer bank to contact the drawer for authority to pay.

(vi) Alterations and Restrictions. Checks with alterations and checks bearing restrictive notations such as "Payment in Full" will not be deposited, and the Bank shall notify Collateral Agent of such checks by telephone on the day of receipt and will deposit, hold or forward such checks with accompanying written matter, if any, as requested by Collateral Agent.

(vii) Foreign Banks and Currency. Checks drawn in foreign currency will be processed in accordance with the Bank's normal procedure for such checks and Collateral Agent will be notified by telephone of any such checks on the date received by the Bank.

(viii) Instruments or Other Payments. Instruments evidencing, or other forms of payment in respect of, the Accounts, will be processed in accordance with the Bank's normal procedure, and the Bank shall notify Collateral Agent of such Instruments or other forms of payment by telephone on the day of receipt and will hold or forward such Instruments or other forms of payment with accompanying written matter, if any, as requested by Collateral Agent.

To the extent reasonably requested by Collateral Agent, Pledgor shall assist and instruct Collateral Agent in connection with the orderly and expeditious processing of the checks described in clauses (i)-(vii). Any items which Collateral Agent has specifically instructed the Bank in writing not to process will not be deposited and shall be sent to Collateral Agent.

4. Processing Acceptable Checks. All checks, except those not acceptable for deposit under the terms hereof, shall be deposited on the day of receipt by the Bank to Account No. [] at the Bank (the "Collection Account"), which is an account owned and controlled exclusively by Collateral Agent, and all such checks shall be endorsed as follows:

credited to account number [];
absence of endorsement hereby supplied and guaranteed by [Lockbox Bank]

Any available funds in the Collection Account will be wired no later than 2:00 p.m. (New York time) each Business Day with the following instructions:

[]
ABA []
for []
[]
Acct. No. []
Attn: []
Ref.: Pledgor

All remittance advices, envelopes, and written matter (except as expressly provided herein) received in the Bank Lock Box together with photocopies of all checks shall be sent to Pledgor and, if requested by Collateral Agent, copies of same shall be sent to Collateral Agent. The Bank shall mail both a deposit advice for all deposits to the Collection Account, on a daily basis, and a statement of account, on a monthly basis, to both Collateral Agent and Pledgor and, if no deposit is made on a Bank business day, a deposit advice, correctly dated, will be sent to Collateral Agent and the Pledgor with the notation "No Deposit" appearing thereon.

5. Returned Checks. Checks deposited in the Collection Account which are returned unpaid because of "Insufficient Funds," "Uncollected Funds," etc. will be redeposited by the Bank only once. If a returned check exceeds \$10,000 the Bank shall also telephone Pledgor for further instructions on the day such check is received. If redeposit is not warranted for reasons such as "account closed" or "payment stopped" or if a check is returned a second time, the Bank will send a debit advice with the item to Pledgor with copies of same to Collateral Agent.
6. Remittance Received by Pledgor. Remittances which are sent directly to or received by Pledgor shall be forwarded to the Bank Lock Box on the day received.
7. Record Maintenance. All deposit checks will be microfilmed (on front and back) by the Bank and retained for five years by the Bank prior to destruction. Photocopies of filmed items will be provided to Collateral Agent or Pledgor on request, within the five-year period.

8. **Bank Charges.** All charges of the Bank for services rendered pursuant to this Agreement shall be billed to and paid directly by Pledgor. Said charges shall not be charged against remittances nor shall they be debited to the Collection Account.
9. **No Offset.** The Bank hereby agrees that it will treat all remittances received in the Bank Lock Box in accordance with the terms hereof, and it will not, directly or indirectly, offset or assert any claim against the Bank Lock Box or the Collection Account or divert such remittances on account of any obligations owed to the Bank by Pledgor or by the party making the remittance, except as provided in Section 5 hereof.
10. **Bank Liability.** In acting under this Agreement, the Bank shall not be liable to any Holder, Lender or Pledgor for any error of judgment, or for any act done or step taken or omitted by it in good faith, except for gross negligence or willful misconduct.
11. **Term.** This Agreement shall continue in full force and effect until termination by the Bank on 60 days' prior written notice to all other parties. Collateral Agent may terminate this Agreement at any time, which termination shall be effective on receipt of written notice by the Bank, and in the event of such termination, Collateral Agent shall at its option have the sole right to remove mail from the Bank Lock Box. Pledgor shall have no right to unilaterally terminate this Agreement.
12. **Definitions.** The following terms shall have the following meanings. All such definitions shall be equally applicable to the singular and plural forms of the terms defined.

“**Instruments**” shall mean, collectively, with respect to each Pledgor, all “**instruments**,” as such term is defined in the UCC, and in any event shall include, without limitation, all promissory notes, drafts, bills of exchange or acceptances.

“**Proceeds**” shall mean all “proceeds,” as such term is defined in the UCC or under other relevant law, and in any event shall include, without limitation, any and all (i) proceeds of any insurance (except payments made to a Person which is not a party to this Agreement), indemnity, warranty, guaranty or claim payable to the Collateral Agent or to such Pledgor from time to time with respect to any of the Pledged Collateral, (ii) payments (in any form whatsoever) made or due and payable to such Pledgor from time to time in connection with any requisition, confiscation, condemnation, seizure or forfeiture of all or any part of the Pledged Collateral by any Governmental Authority (or any Person acting on behalf of a Governmental Authority), (iii) instruments representing obligations to pay amounts in respect of the Pledged Collateral, (iv) products of the Pledged Collateral and (v) other amounts from time to time paid or payable under or in connection with any of the Pledged Collateral.

“**UCC**” shall mean the Uniform Commercial Code as in effect from time to time in any applicable jurisdiction.

13. Modification. This Agreement may only be modified by a writing signed by all of the parties hereto.

14. Notices.

(a) All notices, including phone notice, daily deposit advices, monthly statements of account and copies of all checks and the documents which are to be given or sent to Collateral Agent shall be sent to the following address or transmitted to the following facsimile number, and, where applicable, given at the following phone number:

Credit Agricole Indosuez
666 Third Avenue
New York, New York 10017
Attention: []
Telephone: []
Facsimile: []

with a copy to: Golden Tree Asset Management, as Lead Investor
300 Park Avenue
25th Floor
New York, NY 10022
Attention: Jonathan Ezrow
Telephone: (212) 847-3438
Facsimile: (212) 847-3535
E-mail: jezrow@gtam.net

(or such other Lead Investor as shall from time to time be designated pursuant to the terms of the Note Purchase Agreement)

(b) All notices to the Bank shall be sent to:

[]
[]
[]
Attention: []
Telephone: []
Facsimile: []

(c) All notices and items which are to be sent to Pledgor shall be sent to:

Jason Incorporated
Suite 2120
411 East Wisconsin Avenue
Milwaukee, Wisconsin 53202
Attention: Chief Executive Officer

Telephone: 414-277-9300

Facsimile: 414-277-9445

With a copy to: Saw Mill Capital L.L.C.
555 Pleasantville Road
South Building, Suite 220
Briarcliff Manor, NY 10510
Attn: Howard Unger and John Shaia
Telecopy: (914) 741-9099

or to such other address, telephone number or facsimile number as any such party may designate for itself by like notice.

15. Pledgor's Agreement. Pledgor agrees that it will indemnify and hold the Bank harmless from any and all loss, liability, expense or damage that the Bank may incur in processing lockbox items in accordance with this Agreement, including, without limitation, any loss that the Bank experiences as a result of returned items to the extent the balances in the Collection Account referenced in Section 4 are insufficient to cover such losses, except for any loss, liability, expense or damage that the Bank may incur as a result of the Bank's bad faith, gross negligence or willful misconduct.
16. Limitation on Liability. Collateral Agent and Pledgor acknowledge that the Bank undertakes to perform only such duties as are expressly set forth in this Agreement and those which are normally undertaken by the Bank in connection with lockbox processing. Notwithstanding any other provision hereof, it is agreed by the parties that the Bank shall not be liable for any action taken by the Bank or any of its directors, officers, agents or employees in accordance with this Agreement, except for the Bank's or such natural person's bad faith, gross negligence or willful misconduct. In no event shall the Bank be liable for losses or delays resulting from force majeure, computer malfunction, interruption of communication facilities, labor difficulties or other causes beyond its reasonable control or for any indirect, special or consequential damages.
17. GOVERNING LAW; TERMS. THIS AGREEMENT SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, EXCLUDING (TO THE GREATEST EXTENT PERMITTED BY LAW) ANY RULE OF LAW THAT WOULD CAUSE THE APPLICATION OF THE LAWS OF ANY JURISDICTION OTHER THAN THE STATE OF NEW YORK, AND EXCEPT TO THE EXTENT THAT THE VALIDITY OR PERFECTION OF THE SECURITY INTEREST HEREUNDER, OR REMEDIES HEREUNDER, IN RESPECT OF ANY PARTICULAR PLEDGED COLLATERAL, ARE GOVERNED BY THE LAWS OF A JURISDICTION OTHER THAN THE STATE OF NEW YORK.

18. CONSENT TO JURISDICTION AND SERVICE OF PROCESS; WAIVER OF JURY TRIAL. ALL JUDICIAL PROCEEDINGS BROUGHT AGAINST ANY PLEDGOR WITH RESPECT TO THIS AGREEMENT MAY BE BROUGHT IN THE SUPREME COURT OF THE STATE OF NEW YORK SITTING IN NEW YORK COUNTY, THE COURTS OF THE UNITED STATES OF AMERICA FOR THE SOUTHERN DISTRICT OF NEW YORK AND APPELLATE COURTS OF ANY THEREOF, AND BY EXECUTION AND DELIVERY HEREOF, EACH PLEDGOR ACCEPTS FOR ITSELF AND IN CONNECTION WITH ITS PROPERTIES, GENERALLY AND UNCONDITIONALLY, THE NONEXCLUSIVE JURISDICTION OF THE AFORESAID COURTS AND IRREVOCABLY AGREES TO BE BOUND BY ANY JUDGMENT RENDERED THEREBY IN CONNECTION WITH THIS AGREEMENT. EACH PLEDGOR AGREES THAT SERVICE OF PROCESS IN ANY PROCEEDING MAY BE EFFECTED BY MAILING A COPY THEREOF BY REGISTERED OR CERTIFIED MAIL (OR ANY SUBSTANTIALLY SIMILAR FORM OF MAIL), POSTAGE PREPAID, TO THE PLEDGOR AT ITS ADDRESS SET FORTH HEREIN OR AT SUCH OTHER ADDRESS OF WHICH THE COLLATERAL AGENT SHALL HAVE BEEN NOTIFIED PURSUANT THERETO. IF ANY COLLATERAL AGENT APPOINTED BY ANY PLEDGOR REFUSES TO ACCEPT SERVICE, SUCH PLEDGOR HEREBY AGREES THAT SERVICE UPON IT BY MAIL SHALL CONSTITUTE SUFFICIENT NOTICE. NOTHING HEREIN SHALL AFFECT THE RIGHT TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR SHALL LIMIT THE RIGHT OF THE COLLATERAL AGENT TO BRING PROCEEDINGS AGAINST ANY PLEDGOR IN THE COURTS OF ANY OTHER JURISDICTION. THE PLEDGORS HEREBY IRREVOCABLY WAIVE ALL RIGHT TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

19. Successors and Assigns. Whenever in this Agreement any of the parties hereto is referred to, such reference shall be deemed to include the successors and assigns of such party and all covenants, promises, and agreements by or on behalf of Pledgor, the Bank or Collateral Agent shall bind and inure to the benefit of the successors and assigns of Pledgor, the Bank or Collateral Agent and the Lenders, as the case may be.

20. Execution in Counterparts. This Agreement may be executed in any number of counterparts and by the different parties on separate counterparts and each such counterpart shall for all purposes be deemed an original, but all such counterparts shall together constitute but one and the same agreement. Pledgor, the Bank and Collateral Agent hereby acknowledge receipt of a true, correct, and complete counterpart hereof.

21. Severability. Any provision hereof which is prohibited or unenforceable in any jurisdiction shall as to such provision and such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.
22. Headings. The section headings in this Agreement are inserted for convenience of reference and shall not be considered a part hereof or used in its interpretation.

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

as Pledgor

By: _____
Name:
Title:

CREDIT AGRICOLE INDOSUEZ,
as Collateral Agent

By: _____
Name:
Title:

By: _____
Name:
Title:

[BANK]

By: _____
Name:
Title: