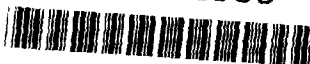


09-22-2000

U.S. DEPARTMENT OF COMMERCE
Patent and Trademark Office

9.2200 RECOF



101466562

Tab settings 0 0 0

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

1. Name of conveying party(ies):

*Kinetics Group, Inc., and:
(See Schedule 1.1 (F))*

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

2. Name and address of receiving party(ies):

Name: *Bank One, N.A.*

Internal Address: *as Collateral Agent*

Street Address: *1 Bank One Plaza*

City: *Chicago* State: *IL* ZIP: *60670*

Additional name(s) & address(es) attached? ☒ Yes ☐ No

3. Nature of conveyance:

- ☐ Assignment ☐ Merger
☒ Security Agreement ☐ Change of Name
☐ Other

Execution Date: *8/30/00*

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

If this document is being filed together with a new application, the execution date of the application is:

A. Patent Application No.(s)

See Schedule 1.1 (F)

B. Patent No.(s)

See Schedule 1.1 (F)

Additional numbers attached? ☒ Yes ☐ No

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

Name:

Inte

Return To 15128 -

National Corporate Research, LTD.

225 W. 34th St., Suite 910

New York, N.Y. 10122

Str *(800) 221-0102 (212) 947-7200*

City: State: ZIP:

6. Total number of applications and patents involved:

46

7. Total fee (37 CFR 3.41):..... \$ *1840⁰⁰*

- ☐ Enclosed
☐ Authorized to be charged to deposit account

8. Deposit account number:

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

9. Statement and signature.

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

MAUREEN P. MURPHY
Name of Person Signing

Maureen P. Murphy
Signature

9/5/00
Date

Total number of pages comprising cover sheet

146

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

Do not detach this portion

Mail documents to be recorded with required cover sheet information to:

09/22/2000 DNGUYEN 00000479 08965077
01 FC:581

1840.00 0P

Commissioner of Patents and Trademarks
Box Assignments
Washington, D.C. 20231

Public burden reporting for this sample cover sheet is estimated to average about 30 minutes per document to be recorded, including time for reviewing the document and gathering the data needed, and completing and reviewing the sample cover sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Office of Information Systems, PK2-1000C, Washington, D.C. 20231, and to the Office of Management and Budget, Paperwork Reduction Project (0651-0011), Washington, D.C. 20503.

PATENT
REEL: 011049 FRAME: 0001

Initial Patents

1. Pledgor: KINETICS GROUP, INC.

Title	Country	Application No.	Filing Date	Patent No.	Issue Date	Status
Gas Handling Device	USA	08/965,077 1	11/06/97	6,076,543	6/20/00	Issued

2. Pledgor: MEGA SYSTEMS & CHEMICALS, INC.

Title	Country	Application No.	Filing Date	Patent No.	Issue Date	Status
Apparatus and Method for Homogeneous Mixing of a Solution	USA	08/934,819 2	09/22/97			Issue Fee paid
Quick Disconnect Valve System for Abrasive Slurries	USA	08/649,056 3	05/16/96	5,791,376	08/11/98	Issued
Quick Disconnect Valve System for Abrasive Slurries	PCT	PCT/US97/08127 4	05/14/97			Inactive
Quick Disconnect Valve System for Abrasive Slurries	Japan	541085/97	05/14/97			Pending

3. Pledgor: UNIT INSTRUMENTS, INC.

Title	Country	Application No.	Filing Date	Patent No.	Issue Date	Status
Manifold System for Enabling a Distribution of Fluids	USA	09/111,999	07/08/98			Pending
Manifold System for Enabling a Distribution of Fluids	PCT	PCT/US99/15272	07/07/99			Pending
Manifold System for Enabling a Distribution of Fluids	Europe	94930532.0	09/30/94			Pending
Manifold System of Removable Components for Distribution of Fluids	USA	09/229,722	01/13/99			Pending
Manifold System for Enabling a Distribution of Fluids	PCT					Pending
Pressure Insensitive Gas Control System	USA	60/143,478	07/12/99			Pending
Gas Panel	USA	08/739,936	10/30/96	5,922,463	11/30/99	Issued
Gas Panel	Europe	97913896.3	10/29/97			Published
Gas Panel	Japan	522597/1998	10/29/97			Pending
Gas Panel	Korea	7003781/1999	10/29/97			Pending
Gas Panel	Taiwan	86116147	10/30/97			Pending
Gas Panel	USA	08/960,464	10/29/97			Pending
Gas Panel	Canada	not yet issued	10/28/98			Pending
Gas Panel	China	not yet issued	10/28/98			Pending
Gas Panel	Europe	98956297.0	10/28/98			Pending
Gas Panel	Japan	518223/2000	10/28/98			Pending
Gas Panel	Korea	7004589/2000	10/28/98			Pending
Gas Panel	Mexico	004198	10/28/98			Pending
Gas Panel	PCT	PCT/US98/22912	10/28/98			Inactive
Manifold System for Enabling a Distribution of Fluids	USA	not yet issued	01/12/00			Pending
Method and Apparatus for Balancing Resistance	USA	60/182,306	02/14/00			Pending
Thermal Mass Flow Controller Having Orthogonal Thermal Mass Flow Sensor	Germany	93924335.8	10/15/93	0664879	01/05/00	Granted
Thermal Mass Flow Controller Having	Europe	93924335.8	10/15/93	0664879	01/05/00	Inactive

Title	Country	Application No.	Filing Date	Patent No.	Issue Date	Status
Orthogonal Thermal Mass Flow Sensor						
Thermal Mass Flow Controller Having Orthogonal Thermal Mass Flow Sensor	France	93924335.8	10/15/93	0664879	01/05/00	Granted
Thermal Mass Flow Controller Having Orthogonal Thermal Mass Flow Sensor	Great Britain	93924335.8	10/15/93	0664879	01/05/00	Granted
Thermal Mass Flow Controller Having Orthogonal Thermal Mass Flow Sensor	Italy	93924335.8	10/15/93	0664879	01/05/00	Granted
Thermal Mass Flow Controller Having Orthogonal Thermal Mass Flow Sensor	Japan	510311/94	10/15/93			Pending
Thermal Mass Flow Controller Having Orthogonal Thermal Mass Flow Sensor	Korea	701451/1995	10/15/93			Pending
Mass Flow Controller Having Orthogonal Sensor	USA	09/499,762 ₁₃	02/08/00			Pending
Gas Panel	USA	09/371,408 ₁₄	08/10/99			Pending
Gas Panel	USA	09/371,655 ₁₅	08/10/99			Pending
Mass Flow Controller Having Orthogonal Sensor	USA	08/815,323 ₁₆	03/10/97	6,044,701	04/04/00	Granted
Apparatus for Handling Process Fluid	Japan	7-510916	09/30/94			Pending
Apparatus for Handling Process Fluid	Korea	701790-1996	09/30/94			Pending
Gas Panel	USA	09/371,659 ₁₇	08/10/99			Pending
Electrical Interconnect System*	USA	06/724,743 ₁₈	04/18/85	4,647,133	03/03/87	Issued
Mass Flow Controller with Vertical Purifier	USA	08/758,971 ₁₉	12/02/96	5,730,181	03/24/98	Issued
Mass Flow Meter with Reduced Attitude Sensitivity	USA	06/173,282 ₂₀	07/29/80	4,440,021	04/03/84	Issued
Thermal Mass Flow Meter*	USA	06/526,860 ₂₁	08/26/83	4,542,650	09/24/85	Issued
Thermal Mass Flowmeter and Controller*	USA	06/721,535 ₂₂	04/10/85	4,685,331	08/11/87	Issued
Electromagnetic Valve	USA	06/790,279 ₂₃	10/22/85	4,690,371	09/01/87	Issued

Title	Country	Application No.	Filing Date	Patent No.	Issue Date	Status
with Permanent Magnet Armature*						
Apparatus for Handling Process Fluid	USA	08/557,378 24	11/13/95	5,803,507	09/08/98	Issued
Method and Apparatus for Determining a Rate of Flow of Gas by a Rate of Change of Pressure	USA	790,218 25	02/03/97	5,925,829	07/20/99	Issued

* Assigned as a security interest to Applied Materials, Inc. on 11/25/86.

4. Pledgor: FTS SYSTEMS, INC.

Title	Country	Application No.	Filing Date	Patent No.	Issue Date	Status
Positioning Device for Temperature Sensor in Freeze Drying	USA	08/176,422 26	01/03/94	5,447,374	09/05/95	Issued
Positioning Device for Temperature Sensor in Freeze Drying	USA	07/459,534 27	01/02/90	4,966,469	10/30/90	Issued
Freeze Dryer for Unattended Operation	USA	07/126,752 28	11/30/87	4,823,478	04/25/89	Issued
Process and Device for Determining the End of a Primary Stage of Freeze Drying	USA	07/126,077 29	11/30/87	4,780,964	11/01/88	Issued
Apparatus and Method for Effecting a Burn-In Procedure on Semiconductor Devices	USA	900,530 30	08/26/86	4,745,354	05/17/88	
Apparatus and Method for Effecting a Burn-In Procedure on Semiconductor Devices	PCT	PCT/US86/02713 31	12/18/86			Inactive

5. Pledgor: INSYNC SYSTEMS, INC.

Title	Country	Application No.	Filing Date	Patent No.	Issue Date	Status
Building Blocks for Integrated Gas Panel	USA	08/760,150 ₃₇	12/3/96	5,836,355	11/17/98	Issued
Building Blocks for Integrated Gas Panel	Europe	97947611.6	11/19/97			Published
Building Blocks for Integrated Gas Panel	Japan	525622/98	11/19/97			Pending
Building Blocks for Integrated Gas Panel	Korea	99-7004883	06/02/99			Pending
Building Blocks for Integrated Gas Panel	Singapore	9605638.7	08/05/92	52535	10/19/99	Granted
Building Blocks for Integrated Gas Panel	PCT	PCT/US97/21327 ₂₃	11/19/97			Inactive
Integrated Gas Panel*	USA	08/404,485 ₂₄	03/17/95	5,605,179	02/25/97	Issued
Methods for Improving Semiconductor Processing	Japan	520051/95	01/12/95			Pending
Methods for Improving Semiconductor Processing	Korea	96-704068	01/12/95			Pending
Methods for Improving Semiconductor Processing	Singapore	9605426-7	01/12/95			Pending
Methods for Improving Semiconductor Processing	PCT	PCT/US95/00131 ₃₅	01/12/95			Inactive
System of Modular Substrates for Enabling the Distribution of Process Fluids through Removable Components	USA	09/456,226 ₃₄	12/06/99			Pending
Building Blocks for Integrated Gas Panel	USA	08/931,060 ₃₁	09/15/97			Pending
Method for Purifying Gas Distribution Systems	USA	741,651 ₃₈	08/07/91	5,178,651	01/12/93	Issued
Method for Purifying Gas Distribution Systems	Europe	92917799.6	08/05/92	0641241	07/10/96	Granted
Method for Purifying Gas Distribution Systems	Germany	92917799.6	08/05/92	0641241	07/10/96	Granted
Method for Purifying Gas Distribution Systems	France	92917799.6	08/05/92	0641241	07/10/96	Granted
Method for Purifying Gas Distribution Systems	Great Britain	92917799.6	08/05/92	0641241	07/10/96	Granted
Method for Purifying Gas Distribution Systems	Hong Kong	98102740.2	04/01/98	1003781	11/06/98	Granted

Title	Country	Application No.	Filing Date	Patent No.	Issue Date	Status
Method for Purifying Gas Distribution Systems	Japan	503820/93	08/05/92			Pending
Method for Purifying Gas Distribution Systems	PCT	PCT/US92/06505 ₃₆₁	08/05/92			Inactive
Apparatus and Method for Purifying Gas Distribution Systems	Singapore	9605638.7	08/05/92	52535	10/19/99	Granted
Sieve Like Structure for Fluid Flow Through Structural Arrangement	USA	09/060,519 ₄₄	04/14/98			Pending
Sieve Like Structure for Fluid Flow Through Structural Arrangement	PCT	PCT/US99/07223 ₄₁	03/31/99			Published
Mounting Panel for Integrated Gas Panel	USA	08/893,773 ₄₃	07/11/97			Pending
Mounting Panel for Integrated Gas Panel	Europe	not yet issued	06/04/98			Pending
Mounting Panel for Integrated Gas Panel	Japan	not yet issued	06/04/98			Pending
Mounting Panel for Integrated Gas Panel	Korea	not yet issued	06/04/98			Pending
Mounting Panel for Integrated Gas Panel	PCT	PCT/US98/11574 ₄₃	06/04/98			Inactive
Method for Improving Semiconductor Process	USA	08/513,599 ₄₄₁	08/10/95			Pending

6. Pledgor: THOMAS CONVEYOR COMPANY

Title	Country	Application No.	Filing Date	Patent No.	Issue Date	Status
Fluidized Bed Discharge Bin	USA	07/552,992 45	07/16/90	5,096,096	3/17/92	Issued
Locking Devise	USA	09/543,427 46	04/06/00			Pending

SECURITY AGREEMENT

By

KINETICS GROUP, INC.,
as Borrower

KINETICS HOLDINGS CORPORATION,
as Holdings

and

THE SUBSIDIARY GUARANTORS PARTY HERETO

and

BANK ONE, N.A.,
as Collateral Agent

• _____

Dated as of August 30, 2000

TABLE OF CONTENTS

	<u>Page</u>
PREAMBLE.....	1
<u>R E C I T A L S</u> :.....	1
<u>A G R E E M E N T</u> :	2

ARTICLE I

DEFINITIONS AND INTERPRETATION

SECTION 1.1	Definitions	2
SECTION 1.2	Interpretation.....	15
SECTION 1.3	Resolution of Drafting Ambiguities	16

ARTICLE II

GRANT OF SECURITY AND SECURED OBLIGATIONS

SECTION 2.1	Pledge.....	16
SECTION 2.2	Secured Obligations.....	17
SECTION 2.3	Future Advances	17
SECTION 2.4	No Release	17

ARTICLE III

PERFECTION; SUPPLEMENTS; FURTHER ASSURANCES; USE OF PLEDGED COLLATERAL

SECTION 3.1	Delivery of Certificated Securities Collateral	18
SECTION 3.2	Perfection of Uncertificated Securities Collateral	18
SECTION 3.3	Financing Statements and Other Filings.....	18
SECTION 3.4	Perfection in Investment Collateral	19
SECTION 3.5	Joinder of Subsidiaries.....	19
SECTION 3.6	Motor Vehicles	19
SECTION 3.7	Supplements; Further Assurances.....	19
SECTION 3.8	Use and Pledge of Pledged Collateral	20

ARTICLE IV

REPRESENTATIONS, WARRANTIES AND COVENANTS

SECTION 4.1	Perfection Actions; Prior Liens	20
-------------	---------------------------------------	----

SECTION 4.2	Limitation on Liens.....	20
SECTION 4.3	Other Financing Statements.....	20
SECTION 4.4	Chief Executive Office; Records; Change of Name.....	21
SECTION 4.5	Location of Inventory and Equipment.....	21
SECTION 4.6	Warehouse Receipts Non-Negotiable.....	21
SECTION 4.7	Corporate Names	21
SECTION 4.8	Due Authorization and Issuance	22
SECTION 4.9	No Violations, etc	22
SECTION 4.10	Insurance; Condemnation	22
SECTION 4.11	Payment of Taxes; Compliance with Laws; Contesting Liens; Claims	23
SECTION 4.12	Benefit to Guarantors.....	23

ARTICLE V

CERTAIN PROVISIONS CONCERNING ACCOUNTS

SECTION 5.1	Special Representations and Warranties.....	23
SECTION 5.2	Maintenance of Records	23
SECTION 5.3	Legend.....	24
SECTION 5.4	Modification of Terms, etc	24
SECTION 5.5	Collection.....	24
SECTION 5.6	Instruments.....	24
SECTION 5.7	Payment into Lockboxes.....	25

ARTICLE VI

CERTAIN PROVISIONS CONCERNING SECURITIES COLLATERAL

SECTION 6.1	Pledge of Additional Securities Collateral	25
SECTION 6.2	Voting Rights; Distributions; etc	25

ARTICLE VII

CERTAIN PROVISIONS CONCERNING INTELLECTUAL PROPERTY COLLATERAL

SECTION 7.1	Grant of License.....	27
SECTION 7.2	Registrations	27
SECTION 7.3	No Violations or Proceedings	27
SECTION 7.4	Protection of Collateral Agent's Security	28
SECTION 7.5	After-Acquired Property	28
SECTION 7.6	Modifications	28
SECTION 7.7	Applications	29
SECTION 7.8	Litigation.....	

ARTICLE VIII

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

SECTION 8.1	Designated Accounts	30
SECTION 8.2	Collateral Account	31
SECTION 8.3	Intentionally Omitted	32
SECTION 8.4	Collection of Accounts	32

ARTICLE IX

TRANSFERS AND OTHER LIENS

ARTICLE X

EVENTS OF DEFAULT AND REMEDIES

SECTION 10.1	Remedies.....	33
SECTION 10.2	Notice of Sale.....	35
SECTION 10.3	Waiver of Notice and Claims	35
SECTION 10.4	Certain Sales of Pledged Collateral	36
SECTION 10.5	No Waiver; Cumulative Remedies	37
SECTION 10.6	Certain Additional Actions Regarding Intellectual Property	37

ARTICLE XI

APPLICATION OF PROCEEDS

ARTICLE XII

MISCELLANEOUS

SECTION 12.1	Concerning Collateral Agent	38
SECTION 12.2	Collateral Agent May Perform; Collateral Agent Appointed Attorney-in-Fact.....	39
SECTION 12.3	Expenses	40
SECTION 12.4	Indemnity	41
SECTION 12.5	Continuing Security Interest; Assignment	41
SECTION 12.6	Termination; Release	41
SECTION 12.7	Modification in Writing	41
SECTION 12.8	Notices	42
SECTION 12.9	GOVERNING LAW	
SECTION 12.10	CONSENT TO JURISDICTION AND SERVICE OF PROCESS; WAIVER OF JURY TRIAL	42

SECTION 12.11	Severability of Provisions.....	42
SECTION 12.12	Execution in Counterparts	42
SECTION 12.13	Limitation on Interest Payable.....	43
SECTION 12.14	Business Days	43
SECTION 12.15	Relationship	43
SECTION 12.16	Waiver of Stay	43
SECTION 12.17	No Credit for Payment of Taxes or Imposition	44
SECTION 12.18	No Claims Against Collateral Agent	44
SECTION 12.19	Obligations Absolute	44
SECTION 12.20	Collateral Agent's Right to Sever Indebtedness	45
SECTION 12.21	Provisions Required by Oregon Law	46

SIGNATURES

SCHEDULE 1.1(a)	Initial Copyrights
SCHEDULE 1.1(b)	Initial Designated Accounts
SCHEDULE 1.1(c)	Initial Pledged Interests
SCHEDULE 1.1(d)	Initial Pledged Shares
SCHEDULE 1.1(e)	Initial Intercompany Notes
SCHEDULE 1.1(f)	Initial Patents
SCHEDULE 1.1(g)	Prior Liens
SCHEDULE 1.1(h)	Initial Trademarks
SCHEDULE 3.3	Financing Statements and Other Necessary Filings
SCHEDULE 4.4	Locations of Pledgors
SCHEDULE 4.7	Prior Corporate Names and Transactions
SCHEDULE 7.3	Violations or Proceedings

EXHIBIT 1	Form of Issuer Acknowledgment
EXHIBIT 2	Form of Securities Pledge Amendment
EXHIBIT 3	Form of Joinder Agreement
EXHIBIT 4	Form of Control Agreement
EXHIBIT 5	Form of Lockbox Agreement

SECURITY AGREEMENT

SECURITY AGREEMENT (the "Agreement"), dated as of August 30, 2000, made by KINETICS GROUP, INC., a Delaware corporation having an office at 2805 Mission College Blvd., Santa Clara, CA 95035 (the "Borrower"), Kinetics Holdings Corporation, a Delaware corporation having an office at 2805 Mission College Blvd., Santa Clara, CA 95035 ("Holdings") 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 Borrower and Holdings, 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 BANK ONE, N.A., having an office at 1 Bank One Plaza, Chicago, Illinois 60670, in its capacity as collateral agent and administrative agent for the lending institutions (the "Lenders") from time to time party to the Credit Agreement (as hereinafter defined), as pledgee, assignee and secured party (in such capacities and together with any successors in such capacities, the "Collateral Agent").

RECITALS:

A. Pursuant to that certain credit agreement, dated as of August 30, 2000 (as amended, amended and restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), among the Borrower, Holdings, the Subsidiary Guarantors, the Lenders, the Collateral Agent, Bankers Trust Company, as syndication agent, Deutsche Bank Securities, Inc., as lead arranger and book manager, The Bank of Nova Scotia, as documentation agent, and Banc One Capital Markets, Inc., as co-arranger, the Lenders have agreed to make to or for the account of the Borrower certain Loans (as hereinafter defined) and to issue certain Letters of Credit (as hereinafter defined) for the account of the Borrower.

B. It is contemplated that one or more of the Pledgors may enter into one or more Swap Contracts (as hereinafter defined) with one or more of the Lenders or their respective Affiliates (as hereinafter defined) fixing the interest rates or currency values with respect to the Loans under, or other indebtedness permitted by, the Credit Agreement.

C. The Borrower owns, directly or through its Subsidiaries (as hereinafter defined), all of the issued and outstanding shares of each of the Subsidiary Guarantors (other than Domestic non-Wholly Owned Subsidiaries acquired in connection with a Permitted Acquisition).

D. Each Guarantor (as hereinafter defined) has, pursuant to the Credit Agreement, among other things, guaranteed (the "Guarantee") the obligations of the Borrower under the Credit Agreement and the other Credit Documents (as hereinafter defined).

E. Each Guarantor will receive substantial benefits from the execution, delivery and performance of the Credit Documents and each is, therefore, willing to enter into this Agreement.

F. 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.

G. It is a condition to the obligations of the Lenders to make the Loans under the Credit Agreement and a condition to any Lender issuing Letters of Credit under the Credit Agreement or entering into any Swap Contract that each Pledgor execute and deliver the applicable Credit Documents, including this Agreement.

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

A G R E E M E N T :

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. Capitalized terms used but not otherwise defined herein shall have the meanings assigned to such terms in the Credit 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 the UCC and (ii) all (A) margin accounts, futures positions, book debts and other forms of obligations 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 such merchandise that may be reclaimed or repossessed or returned to such Pledgor, (C) all of such Pledgor's rights as an unpaid vendor, including stoppage in transit, reclamation, replevin and sequestration, (D) 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, (E) all accessions to all of the foregoing described properties and interests in properties, (F) all powers of attorney for the execution of any evidence of indebtedness or security or other writing in connection with the foregoing and (G) 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.

"Acquisition Document Rights" shall mean, with respect to each Pledgor, collectively, all of such Pledgor's rights, title and interest in, to and under the Acquisition Documents including, without limitation, (i) all rights and remedies of such Pledgor relating to monetary damages, including indemnification rights and remedies, and claims for damages or other relief pursuant to or in respect of the Acquisition Documents, (ii) all rights and remedies of such Pledgor relating to monetary damages, including indemnification rights and remedies, and claims for monetary damages under or in respect of the agreements, documents and instruments referred to in the Acquisition Documents or related thereto and (iii) all proceeds, collections, recoveries and rights of subrogation with respect to the foregoing.

"Acquisition Documents" shall have the meaning assigned to such term in the Credit Agreement.

"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, without limitation, all rights, privileges, authority and powers of such Pledgor relating to the equity or membership or partnership interests in any such issuer or under the Operative Agreement of any such issuer, from time to time acquired by such Pledgor in any manner including, without limitation, each limited liability company or partnership hereafter acquired or formed by such Pledgor 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, without limitation, all rights, privileges, authority and powers of such Pledgor relating to the additional shares issued by any such issuer or under the Operative Agreement of any such issuer, from time to time acquired by such Pledgor in any manner including, without limitation, each corporation hereafter acquired or formed by such Pledgor, 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 Credit 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.

"Allocation Indebtedness" shall have the meaning assigned to such term in Section 12.20(i) hereof.

"Allocation Notice" shall have the meaning assigned to such term in Section 12.20(i) hereof.

"Asset Sale" shall have the meaning assigned to such term in the Credit Agreement.

"Bank Accounts" shall mean, collectively, (i) the Lockboxes, the Collection Accounts and the Lockbox Concentration Account and all accounts and sub-accounts relating to any of the foregoing accounts and (ii) all cash, funds, checks, notes and any instruments from time to time on deposit in any of the accounts or sub-accounts described in clause (i) of this definition.

"Borrower" shall have the meaning assigned to such term in the Preamble hereof.

"Business Day" shall have the meaning assigned to such term in the Credit Agreement.

"Capital Lease Obligations" shall have the meaning assigned to such term in the Credit 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 the UCC.

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

"Collateral Account" shall mean a collateral account or sub-account established and maintained by the Collateral Agent (or a Lender 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 hereof and all funds from time to time on deposit in the Collateral Account including, without limitation, all Investments 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; 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.

"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) hereof.

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

"Commitment" shall have the meaning assigned to such term in the Credit Agreement.

"Commodities Account" shall mean "commodities account," as such term is defined in the UCC.

"Commodities Contract" shall mean "commodities contract," as such term is defined in the UCC.

"Commodities Intermediary" shall mean "commodities intermediary," as such term is defined in 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 have been delinquent for no more than 30 days or are being contested and otherwise comply with the provisions of Section 4.18 hereof; 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 the UCC, of such Pledgor, and in any event, shall include, without limitation, 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, and all assignments, amendments, restatements, supplements, extensions, renewals, replacements or modifications thereof.

"Control Agreement" shall mean an agreement substantially in the form annexed hereto as Exhibit 4 or such other agreement in form and substance acceptable to 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, without limitation, the copyrights, registrations and applications listed in Schedule 1.1(a) annexed hereto, 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, without limitation, 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 con-

tract 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 have the meaning assigned to such term in Recital A hereof.

"Credit Documents" shall have the meaning assigned to such term in the Credit Agreement.

"Credit Party" shall have the meaning assigned to such term in the Credit Agreement.

"Default" shall have the meaning assigned to such term in the Credit Agreement.

"Default Rate" shall mean the rate per annum equal to the highest rate then payable under the Credit Agreement.

"Designated Accounts" shall mean, collectively, with respect to each Pledgor, (i) the custodial securities and commodities accounts listed in Schedule 1.1(b) maintained by such Pledgor with a Qualified Intermediary pursuant to a Control Agreement and (ii) such other custodial securities and commodities 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 the UCC, of such Pledgor, and in any event, shall include, without limitation, all receipts of such Pledgor covering, evidencing or representing Inventory or Equipment.

"Domestic" shall have the meaning assigned to such term in the Credit Agreement.

"Entitlement Order" shall mean "entitlement order," as such term is defined in the UCC.

"Equipment" shall mean, collectively, with respect to each Pledgor, all "equipment," as such term is defined in the UCC, and, in any event shall include, without limitation, 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 Credit Agreement.

"Financial Asset" shall mean, collectively, with respect to each Pledgor, all "financial assets," as such term is defined in the UCC.

"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 Credit 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 the UCC, of such Pledgor and, in any event shall include, without limitation, (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, without limitation, 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, without limitation, 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, without limitation, (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) 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.

"Guarantee" shall have the meaning assigned to such term in Recital D hereof.

"Guarantor" shall mean Holdings and each Subsidiary Guarantor.

"Holdings" shall have the meaning assigned to such term in the Preamble hereof.

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

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

"Initial Borrowing Date" shall have the meaning assigned to such term in the Credit Agreement.

"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) an-

nexed hereto 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) annexed hereto (which 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 the UCC, and in any event shall include, without limitation, all promissory notes, drafts, bills of exchange or acceptances.

“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, 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 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, without limitation, all dividends, returned premiums and other rights to receive money in respect of any of the foregoing).

“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) annexed hereto (and each other intercompany note hereafter acquired by such Pledgor) 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.

“Interest Rate Protection Agreement” shall have the meaning assigned to such term in the Credit Agreement.

“Inventory” shall mean, collectively, with respect to each Pledgor, all “inventory,” as such term is defined in the UCC, of such Pledgor wherever located and of every class, kind and description and, in any event shall include, without limitation, (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 repossession 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, without limitation, (i) all Securities Accounts and Commodities Accounts including, without limitation 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 Commodities Contracts, cash, checks, drafts, securities and instruments deposited or held or required to be deposited or held in such Pledgor's Commodities 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, without limitation, each Control Agreement, entered into by such Pledgor with any Qualified Intermediary with which any Securities Account or Commodities 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.

"Investments" shall have the meaning assigned to such term in the Credit Agreement.

"Joinder Agreement" shall mean the form of joinder agreement attached hereto as

Exhibit 3.

"Lender" shall have the meaning assigned to such term in the Preamble hereof.

"Letter of Credit" shall have the meaning assigned to such term in the Credit Agreement.

"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, 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, without limitation, 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 Credit Agreement.

"Loan" shall have the meaning assigned to such term in the Credit 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) hereof.

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

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

"Mortgage" shall have the meaning assigned to such term in the Credit Agreement.

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

"Officer's Certificate" shall have the meaning assigned to such term in the Credit Agreement.

"Operative Agreement" shall mean (i) in the case of any limited liability company or partnership, any membership or partnership agreement thereof and (ii) in the case of any corporation, any charter or certificate of incorporation and by-laws thereof.

"Other Hedging Agreement" shall have the meaning assigned to such term in the Credit Agreement.

"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, without limitation, the patents, patent applications, registrations and recordings listed in Schedule 1.1(f) annexed hereto, 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, without limitation, 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 Acquisitions" shall have the meaning assigned to such term in the Credit Agreement.

"Permitted Collateral Liens" shall have the meaning assigned to such term in the Credit Agreement.

"Permitted Liens" shall have the meaning assigned to such term in the Credit Agreement.

"Person" shall have the meaning assigned to such term in the Credit Agreement.

"Pledge Amendment" shall have the meaning assigned to such term in Section 6.1 hereof.

"Pledged Collateral" shall have the meaning assigned to such term in Section 2.1 hereof.

"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 Subsidiary which is a controlled foreign corporation (as defined in Section 957(a) of the Tax Code) 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.

"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(g) annexed to this Agreement relating to the items of Pledged Collateral identified in such Schedule.

"Proceeds" shall mean, collectively, 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 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, without limitation, proceeds in respect of any and all 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.

"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.

"Purchase Money Obligations" shall have the meaning assigned to such term in the Credit Agreement.

"Qualified Commodities Intermediary" shall mean a Commodities 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 or a Qualified Commodities Intermediary, 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.

"Requirements of Law" shall mean, collectively, any and all requirements of any Governmental Authority including, without limitation, any and all laws, ordinances, rules, regulations or similar statutes or case law.

"Secured Obligations" shall mean all obligations (whether or not constituting future advances, obligatory or otherwise) of the Borrower and any and all of the other Credit Parties from time to time arising under or in respect hereof, the Credit Agreement, the Swap Contracts and the other Credit Documents (including, without limitation, 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 Credit Agreement, the Swap Contracts and the other Credit 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, without limitation, interest and other obligations arising or accruing after the commencement of any bankruptcy, insolvency, reorganization or similar proceeding with respect to any Credit Party 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 H hereof.

"Securities Account" shall mean, with respect to each Pledgor, each "securities account," as such term is defined in 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) hereof.

"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 the UCC.

"Security Documents" shall have the meaning assigned to such term in the Credit Agreement.

"Security Entitlement" shall mean, with respect to each Pledgor, each "security entitlement," as such term is defined in the UCC, of such Pledgor and in any event shall include, without limitation, the rights and property interests of such Pledgor with respect to any and all Financial Assets.

"Subsidiary" shall have the meaning assigned to such term in the Credit Agreement.

"Subsidiary Guarantors" shall have the meaning assigned to such term in the Preamble hereof.

"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) annexed hereto 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 Credit Agreement.

"Swap Contracts" shall mean any Interest Rate Protection Agreement or any Other Hedging 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, including, without limitation, the registrations and applications listed in Schedule 1.1(h) annexed hereto, together with any and all (i) 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, without limitation, 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 perfection or the effect of perfection or non-perfection 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 perfection or effect of perfection or non-perfection.

"Wholly Owned Subsidiary" shall have the meaning assigned to such term in the Credit Agreement.

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, subsections, paragraphs and clauses are to the Articles, Sections, Schedules, Exhibits, subsections, paragraphs and clauses hereof, (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"):

- (i) Accounts;
- (ii) Inventory;
- (iii) Documents;
- (iv) Instruments;
- (v) Chattel Paper;
- (vi) Equipment;
- (vii) Pledged Securities;
- (viii) Intercompany Notes;
- (ix) Distributions;
- (x) Investment Collateral;
- (xi) Intellectual Property Collateral;
- (xii) Acquisition Document Rights;
- (xiii) General Intangibles;
- (xiv) Bank Accounts;

(xv) Collateral Account; and

(xvi) Proceeds of any and all of the foregoing;

provided, however, that Pledged Collateral shall not include any Contract, Trademark, Patent, Copyright or License to the extent that such Pledgor is expressly prohibited from assigning or transferring thereof or from granting a Lien thereon or applicable law provides for the involuntary forfeiture of the Contract, Trademark, Patent, Copyright or License in the event that it is assigned or transferred or a Lien is granted thereon without the consent of the appropriate Person or Governmental Authority; provided, further, that in the event of the termination or elimination of any prohibition or requirement for any consent contained in any law, rule, regulation, license, franchise, certificate, consent, approval, authorization or other document, or upon the granting of any consent, the Contract, Trademark, Patent, Copyright or License so excluded from the definition of Pledged Collateral by virtue of this proviso shall (without any act or delivery by any Person) constitute Pledged Collateral hereunder;

provided, however, the Pledged Collateral shall not include any property or asset hereafter acquired by Pledgor which is subject to a Lien for Purchase Money Obligations or Capital Lease Obligations; provided, further, that at such time as such property or asset is no longer subject to such Lien, such property or asset shall (without any act or delivery by any Person) constitute Pledged Collateral hereunder.

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 advanced from time to time pursuant to the Credit Documents and the Swap Contracts.

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, any Swap Contract or any other Credit Document, or under or in respect of the Pledged Collateral or made in connection herewith or therewith. The obligations of each Pledgor contained in this Section 2.4 shall survive the termination hereof and the discharge of such Pledgor's other obligations under this Agreement, any Swap Contract and the other Credit Documents.

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 the extent it is a subsidiary, to execute and deliver to the Collateral Agent an acknowledgment of the pledge of such Pledged Securities substantially in the form of Exhibit 1 annexed hereto, 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, upon the Collateral Agent's reasonable request, provide to 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. On the Initial Borrowing Date, the only 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 Credit Documents or shall be filed, registered and recorded within ten (10) days after the date thereof. 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, without limitation, this Agreement), in form acceptable to the Collateral Agent, in such offices (including, without limitation, the United States Patent and Trademark Office and the United States Copyright

Office) as the Collateral Agent may reasonably deem necessary or appropriate, wherever required or permitted by law in order to perfect, continue and maintain a valid, enforceable, first priority security interest in the Pledged Collateral as provided herein 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. Contemporaneously with the execution and delivery of the Credit Documents each Pledgor shall comply with the provisions of Section 8.1 hereof.

SECTION 3.5 Joinder of Subsidiaries. The Pledgors shall cause each Subsidiary of the Borrower 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 Credit Agreement, to execute and deliver to the Collateral Agent a joinder agreement substantially in the form of Exhibit 3 annexed hereto and, upon such execution and delivery, such 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 reasonably deem 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, each Pledgor shall, upon the request of the Collateral Agent, 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. Unless an Event of Default shall have occurred and be continuing, 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 exploit, license, use, enjoy and protect the Pledged Collateral in accordance with the terms hereof and the Credit Agreement. 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.

ARTICLE IV

REPRESENTATIONS, WARRANTIES AND COVENANTS

Each Pledgor represents, warrants and covenants as follows:

SECTION 4.1 Perfection Actions; Prior Liens. Upon the completion of the deliveries, filings and other actions contemplated in Section 3.1 through Section 3.4 hereof, 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 first 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 and (ii) Contested Liens.

SECTION 4.2 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 Permitted Collateral Liens. Pledgor shall defend the Pledged Collateral pledged by it hereunder against all claims and demands of all Persons 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 other 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 4.3 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 or the Commitments of the Lenders to make any Loan or to issue any Letter of Credit shall not have expired or been sooner terminated, 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 4.4 Chief Executive Office; Records; Change of Name. The chief executive office of such Pledgor is located at the address indicated next to its name in Schedule 4.4 annexed hereto. Such Pledgor shall not move its chief executive office to any location other than one within the continental United States that is listed in such Schedule 4.4 except to such new location as such Pledgor may establish in accordance with the last sentence of this Section 4.4. All tangible evidence of all Accounts and General Intangibles of such Pledgor and the only original books of account and records of such Pledgor relating thereto are, and will continue to be, kept at such chief executive office or such other location listed in Schedule 4.4 annexed hereto, or at such new location for such chief executive office as such Pledgor may establish in accordance with the last sentence of this Section 4.4. All Accounts and General Intangibles of such Pledgor are, and will continue to be, controlled and monitored (including, without limitation, for general accounting purposes) from such chief executive office location or such other location listed in Schedule 4.4 annexed hereto, or such new location as such Pledgor may establish in accordance with the last sentence of this Section 4.4. Such Pledgor shall not establish a new location for its chief executive office to any location other than one within the continental United States that is listed in Schedule 4.4 or change its name, identity or structure until (i) it shall have given the Collateral Agent not less than 30 days' prior written notice (in the form of an Officer's Certificate) of its intention so to do, clearly describing such new location within the continental United States or name and providing such other information in connection therewith as the Collateral Agent may request and (ii) with respect to such new location or name, 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 hereby.

SECTION 4.5 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 4.4 annexed hereto. Such Pledgor shall not move any Inventory or Equipment to any location other than one within the continental United States that is listed in such Schedule 4.4 until (i) it shall have given the Collateral Agent not less than 30 days' prior written notice (in the form of an Officer's Certificate) of its intention so to do, clearly describing such new location within the continental United States and providing such other information in connection therewith as the Collateral Agent may request and (ii) with respect to such new location, 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 hereby.

SECTION 4.6 Warehouse Receipts Non-Negotiable. If any warehouse receipt or receipt in the nature of a warehouse receipt is issued with respect to any of the Pledged Collateral, 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 4.7 Corporate Names . 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 con-

solidation, or acquired all or substantially all of the assets of any Person, except as set forth in Schedule 4.7 annexed hereto.

SECTION 4.8 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 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 4.9 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 4.10 Insurance; Condemnation.

(i) Required Insurance Policies and Coverages. No Pledgor shall take any action that materially impairs the rights of the Collateral Agent or any Secured Party in the Pledged Collateral. Each Pledgor shall at all times keep the Pledged Collateral insured in accordance with Section 8.03 of the Credit Agreement.

(ii) Settlements. Upon the occurrence and during the continuance of an Event of Default, settlement of any claim under any of the Insurance Policies, if such claim involves any loss in excess of \$1,000,000 (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.

(iii) Proceeds of Destructions and Taking. To the extent required under and in the manner contemplated by the Credit Agreement, such Pledgor shall send to the Collateral Agent a certificate upon such Pledgor's receipt of proceeds, awards or payments in respect of any Destruction or Taking. Upon the occurrence and during the continuance of an Event of Default, the Collateral Agent may, at its option, 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. Any proceeds, award or payment in respect of any Destruction or Taking shall be applied in accordance with the provisions of Section 4.02(f) of the Credit Agreement.

(iv) 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 Insurance Policies required to be maintained pursuant to this Agreement during any redemption period.

SECTION 4.11 Payment of Taxes; Compliance with Laws; Contesting Liens; Claims.

Each Pledgor represents and warrants that all material Charges imposed upon or assessed against the Pledged Collateral have been paid and discharged which if unpaid might become a Lien not otherwise permitted hereunder except to the extent such Charges are not yet due and payable or are being contested in accordance with the terms of the Credit Agreement. Each Pledgor may at its own expense contest the validity, amount or applicability of any Charges by appropriate legal or administrative proceedings, prosecution of which operates to prevent the collection thereof and the sale or forfeiture of the Pledged Collateral or any part thereof to satisfy the same; provided, however, that any such contest shall be conducted in good faith by appropriate proceedings instituted with reasonable promptness and diligently conducted in accordance with the Credit Agreement.

SECTION 4.12 Benefit to Guarantors. Each Guarantor will receive substantial benefit as a result of the execution, delivery and performance of the Credit 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 and in all material respects what they purport to be, (ii) 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 a Account, except for the original or duplicate original invoice sent to a purchaser evidencing such purchaser's account, be the only original writings evidencing and embodying such obligation of the account debtor named therein and (iv) are in material compliance and materially 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 prudent business practice, including, without limitation, records of all payments received, all credits granted thereon, all merchandise returned and all other 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, without limitation, 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 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.

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 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 any term thereof or make any adjustment with respect thereto except in the ordinary course of business, or extend or renew any such indebtedness except in the ordinary course of business 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. 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 cause to be collected from the account debtor of each of the Accounts, as and when due (including, without limitation, 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 and (ii) such extensions 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 costs and expenses (including, without limitation, 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. Each Pledgor shall deliver to the Collateral Agent, within five days after receipt thereof by such Pledgor, any Instrument evidencing Accounts which is in the principal amount of \$100,000 or more. 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; provided, however, that so long as no Event of Default shall have occurred and be continuing, the Collateral Agent shall, promptly upon request of such Pledgor, make appropriate arrangements for making any Instrument pledged by such Pledgor available to such Pledgor for pur-

poses of presentation, collection or renewal (any such arrangement to be effected, to the extent deemed appropriate by the Collateral Agent, against trust receipt or like document).

SECTION 5.7 Payment into Lockboxes. Upon the occurrence and during the continuance of a Default or Event of Default and at the request of the Collateral Agent, 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 hereof. The costs and expenses (including, without limitation, 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. 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 annexed hereto (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, and confirming 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.

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 Credit Document; provided, however, that no Pledgor shall in any event exercise such rights in any manner which may 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 Credit 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, if necessary, 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) hereof and to receive the Distributions which it is authorized to receive and retain pursuant to Section 6.2(i)(B) hereof.

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

(A) 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) hereof without any action or the giving of any notice 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) hereof 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) hereof and to receive all Distributions which it may be entitled to receive under Section 6.2(ii)(B) hereof.

(iv) All Distributions which are received by any Pledgor contrary to the provisions of Section 6.2(ii)(B) hereof 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 in the same form as so received (with any necessary endorsement).

ARTICLE VII

CERTAIN PROVISIONS CONCERNING INTELLECTUAL PROPERTY COLLATERAL

SECTION 7.1 Grant of License. For the purpose of enabling the Collateral Agent, during the occurrence and 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 (i) each Pledgor owns and possesses the right to use, and has done nothing to authorize or enable 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 annexed hereto, 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) annexed hereto, 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 material to the conduct of such Pledgor's business 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 material to the conduct of such Pledgor's business, its right to register the Intellectual Property Collateral material to the conduct of such Pledgor's business or its right to keep and maintain such registration in full force and effect, (ii) preserve and keep in full force and effect the Intellectual Property Collateral material to the conduct of such Pledgor's business, (iii) upon such Pledgor obtaining knowledge thereof, promptly notify the Collateral Agent in writing of any event which may be expected to materially and 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, without limitation, a levy or threat of levy or any legal process against material Intellectual Property Collateral, (iv) 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 materially adversely affects the right to receive payments thereunder, or in any manner that would materially 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, (v) until the Collateral Agent exercises its rights to make collection, diligently keep adequate records respecting the Intellectual Property Collateral and (vi) 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, in each case, as the Collateral Agent may from time to time reasonably request.

SECTION 7.5 After-Acquired Property. If any Pledgor shall, at any time before the Secured Obligations have been paid in full or the Commitments of the Lenders to make any Loan or to issue any Letter of Credit have expired or been sooner terminated (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 promptly (i) provide to the Collateral Agent written notice of any of the foregoing and (ii) 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 reasonably acceptable to the Collateral Agent.

SECTION 7.6 Modifications. Each Pledgor authorizes the Collateral Agent, after receipt of notice pursuant to Section 7.5 hereof, to modify this Agreement by amending Schedules 1.1(a), 1.1(f), 1.1(g) and 1.1(i) annexed hereto to include any Intellectual Property Collateral acquired or arising after the date hereof of such Pledgor including, without limitation, any of the items listed in Section 7.5 hereof.

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 Credit 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 Credit 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 Credit Agreement without the consent of the Collateral Agent.

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 hereof 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 hereof. In the event that the Collateral Agent shall elect not to bring suit to enforce the Intellectual Property Collateral as provided in the preceding sentences, each Pledgor agrees, at the request of the Collateral Agent, to take all actions 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) Upon the occurrence and during the continuance of a Default or Event of Default and at the request of the Collateral Agent, each Pledgor shall not maintain any other financial accounts (except in accordance with the provisions of this Article VIII) with any Securities Intermediary, Commodities 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 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 30 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. 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. Upon the occurrence and during the continuance of a Default or Event of Default and at the request of the Collateral Agent, each Pledgor shall enter into a Control Agreement with each currently existing Securities Intermediary or Commodities Intermediary. If any Pledgor is unable to obtain a Control Agreement from such Securities Intermediary or Commodities Intermediary, then such Pledgor shall terminate all financial accounts maintained with such Securities Intermediary or Commodities Intermediary and immediately transfer any and all Investment Collateral maintained with such institution to a Designated Account maintained by a Qualified Intermediary. Each Pledgor shall accept the same in trust for the benefit of the Collateral Agent and within one Business Day of actual receipt thereof, deposit any Investment Collateral and any new securities, instruments, documents or other property by reason of ownership of the Investment Collateral (other than payments of a kind described in Section 8.1(iii)(B) hereof) received by it into a Designated Account that is subject to a Control Agreement.

(ii) Each Pledgor hereby acknowledges and agrees that each Qualified Securities Intermediary constitutes a "securities intermediary" under the UCC and each Qualified Commodities Intermediary constitutes a "commodities 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 and continuance of an Event of Default.

(iii) 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 Credit Agreement:

(A) trade, sell, exchange, lend or transfer from 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.

(iv) 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 hereof.

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 Asset Sale or other disposition thereof) to the extent required under the Credit Agreement, (B) the cash proceeds of any Taking or Destruction or loss of title with respect to any Pledged Collateral or Mortgaged Property to the extent required under the Credit Agreement, (C) any cash in respect of any Pledged Collateral to which the Collateral Agent is entitled pursuant to Section 6.2 hereof, (D) such amounts required to be pledged as additional collateral security hereunder pursuant to the Credit 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 in accordance with the Credit Agreement.

So long as no Event of Default has occurred and is continuing or will result therefrom, the Collateral Agent shall, after receiving a request of such Pledgor for release of cash proceeds for the purchase, replacement or restoration of property or assets to the extent permitted by Sections 4.02(e) and 4.02(f) of the Credit Agreement, remit the cash proceeds on deposit in the Collateral Account to or upon the order of such Pledgor, in periodic installments, if applicable. At any time following the occurrence and during the continuance of an Event of Default, the Collateral Agent may (and, if instructed by the Lenders as specified in the Credit Agreement, shall) in its (or their) discretion 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.

(iii) Investment of Balance in Collateral Account. Amounts on deposit in the Collateral Account shall be invested from time to time in such Investments as the respective Pledgor (or, after the occurrence and during the continuance of an Event of Default, the Collateral Agent) shall determine, which Investments shall be held in the name and be 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 Lenders as specified in the Credit Agreement, shall) in its (or their) discretion at any time and from time to time elect to liquidate any such Investments 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 continuance of an Event of Default and at the request of the Collateral Agent, 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. 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 one Business Day 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 one Business Day after such Pledgor's receipt thereof.

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 Credit 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 (iii) permit any issuer of the Pledged Securities to merge, consolidate or change its legal form except as permitted by the Credit 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 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 com-

munications 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, without limitation, 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 (including, without limitation, the accounts contemplated in Article VIII hereof) for application to the Secured Obligations as provided in Article XI hereof;

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

(vii) Exercise any and all rights as beneficial and legal owner of the Pledged Collateral, including, without limitation, perfecting assignment of and 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 hereof, 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 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 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. 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, without limitation, 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 other than as a result of the Collateral Agent's gross negligence or wilful 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 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, without limitation, 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) 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 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 Collateral Agent, each Pledgor shall execute and deliver to Collateral Agent an assignment or assignments of the registered Patents, Trademarks and/or Copyrights and such other documents as are necessary or appropriate to carry out the intent and purposes hereof.

ARTICLE XI

APPLICATION OF PROCEEDS

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 hereof 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, without limitation, compensation to the Collateral Agent and its agents and counsel, and all 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 Credit Agreement from and after the date such amount is due, owing or unpaid until paid in full;

SECOND, to the payment of all other costs and expenses of such sale, collection or other realization including, without limitation, compensation to the Lenders and their agents and counsel and all costs, liabilities and advances made or incurred by the Lenders in connection therewith, together with interest on each such amount at the highest rate then in effect under the Credit 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 interest, principal and other amounts constituting Secured Obligations (other than the obligations arising under the Swap Contracts) in accordance with the terms of the Credit Agreement;

FOURTH, without duplication of amounts applied pursuant to clauses FIRST, SECOND and THIRD above, to the indefeasible payment in full in cash, pro rata, of the obligations arising under the Swap Contracts in accordance with the terms of the Swap Contracts; and

FIFTH, 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 FOURTH 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 Credit Agreement. The actions of the Collateral Agent hereunder are subject to the provisions of the Credit 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, without limitation, the release or substitution of the Pledged Collateral), in accordance with this Agreement and the Credit 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 a successor Collateral Agent may be appointed in the manner provided in the Credit 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. 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.

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, without limitation, 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, after an Event of Default the Collateral Agent may (but shall not be obligated to) do the same or cause it to be done or 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 hereof. Any and all amounts so expended by the Collateral Agent shall be paid by the Pledgors in accordance with the provisions of Section 12.3 hereof. 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, or otherwise, from time to time in the Collateral Agent's discretion to take any action and to execute any instrument consistent with the terms hereof and the other Credit Documents which the Collateral Agent may deem necessary or advisable 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 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 affecting the Pledged Collateral or any part thereof commenced, 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 judgment of the Collateral Agent to defend or uphold the Lien hereof (including, without limitation, 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 demand is made by the Collateral Agent for such amounts expended) 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 Credit Agreement, any Swap Contract required to be secured under the Credit Agreement and the other Credit 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, without limitation, settlement costs), expenses or disbursements of any kind or nature whatsoever (including, without limitation, the reasonable fees and disbursements of counsel for such Indemnitees 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, any Swap Contract or any other Credit Document (including, without limitation, any misrepresentation by any Pledgor in this Agreement, any Swap Contract or any other Credit 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 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, any Swap Contract required to be secured under the Credit Agreement and under the other Credit 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, without limitation, 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 Lender 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 Lender, herein or otherwise, subject however, to the provisions of the Credit Agreement and any applicable Swap Contract.

SECTION 12.6 Termination; Release. When all the Secured Obligations have been paid in full and the Commitments of the Lenders to make any Loan or to issue any Letter of Credit under the Credit Agreement shall have expired or been sooner terminated (or cash collateralized or otherwise supported in a manner reasonably satisfactory to the Collateral Agent), this Agreement shall terminate. Upon termination hereof or any release of Pledged Collateral in accordance with the provisions of the Credit 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 Credit Agreement and unless in writing and signed by 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 Credit 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 Credit 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 Credit Agreement, as to any Pledgor, addressed to it at the address of the Borrower set forth in the Credit Agreement and as to the Collateral Agent, addressed to it at the address set forth in the Credit Agreement, 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 CREDIT 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 Credit Agreement, any Swap Contract, or any other Credit Document, or for the payment or performance of any covenant or obligation contained herein or in the Credit Agreement, any Swap Contract, or any other Credit 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 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 Credit Agreement, this Agreement, any Swap Contract 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 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 com-

menced 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, without limitation, any foreclosure proceedings) available to the Collateral Agent as provided in this Agreement or in any other Credit Document.

SECTION 12.17 No Credit for Payment of Taxes or Imposition. Such Pledgor shall not be entitled to any credit against the principal, premium, if any, or interest payable under the Credit 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 Credit Party;
- (ii) any lack of validity or enforceability of the Credit Agreement, any Swap Contract, any Letter of Credit or any other Credit 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 Credit Agreement, any Swap Contract, any Letter of Credit or any other Credit 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, any Swap Contract or any other Credit Document except as specifically set forth in a waiver granted pursuant to the provisions of Section 12.7 hereof; or
- (vi) any other circumstances which might otherwise constitute a defense available to, or a discharge of, any Pledgor.

SECTION 12.20 Collateral Agent's Right to Sever Indebtedness.

(i) Each Pledgor acknowledges that (A) the Pledged Collateral does not constitute the sole source of security for the payment and performance of the Secured Obligations and that the Secured Obligations are also secured by other types of property of the Pledgors in other jurisdictions (all such property, collectively, the "Collateral"), (B) the number of such jurisdictions and the nature of the transaction of which this instrument is a part are such that it would have been impracticable for the parties to allocate to each item of Collateral a specific loan amount and to execute in respect of such item a separate credit agreement and (C) each Pledgor intends that the Collateral Agent have the same rights with respect to the Pledged Collateral, in any judicial proceeding relating to the exercise of any right or remedy hereunder or otherwise, that the Collateral Agent would have had if each item of Collateral had been pledged or encumbered pursuant to a separate credit agreement and security instrument. In furtherance of such intent, each Pledgor agrees to the greatest extent permitted by law that the Collateral Agent may at any time by notice (an "Allocation Notice") to such Pledgor allocate a portion of the Secured Obligations (the "Allocated Indebtedness") to all or a specified portion of the Pledged Collateral and sever from the remaining Secured Obligations the Allocated Indebtedness. From and after the giving of an Allocation Notice with respect to any of the Pledged Collateral, the Secured Obligations hereunder shall be limited to the extent set forth in the Allocation Notice and (as so limited) shall, for all purposes, be construed as a separate credit obligation of such Pledgor unrelated to the other transactions contemplated by the Credit Agreement, any Swap Contract, any other Credit Document or any document related to any thereof. To the extent that the proceeds of any judicial proceeding relating to the exercise of any right or remedy hereunder of the Pledged Collateral shall exceed the Allocated Indebtedness, such proceeds shall belong to such Pledgor and shall not be available hereunder to satisfy any Secured Obligations of such Pledgor other than the Allocated Indebtedness. In any action or proceeding to exercise any right or remedy under this Agreement which is commenced after the giving by the Collateral Agent of an Allocation Notice, the Allocation Notice shall be conclusive proof of the limits of the Secured Obligations hereby secured, and such Pledgor may introduce, by way of defense or counterclaim, evidence thereof in any such action or proceeding. Notwithstanding any provision of this Section 12.20, the proceeds received by the Collateral Agent pursuant to this Agreement shall be applied by the Collateral Agent in accordance with the provisions of Article XI hereof.

(ii) Each Pledgor hereby waives to the greatest extent permitted under law the right to a discharge of any of the Secured Obligations under any statute or rule of law now or hereafter in effect which provides that the exercise of any particular right or remedy as provided for herein (by judicial proceedings or otherwise) constitutes the exclusive means for satisfaction of the Secured Obligations or which makes unavailable any further judgment or any other right or remedy provided for herein because the Collateral Agent elected to proceed with the exercise of such initial right or remedy or because of any failure by the Collateral Agent to comply with laws that prescribe conditions to the entitlement to such subsequent judgment or the availability of such subsequent right or remedy. In the event that, notwithstanding the foregoing waiver, any court shall for any reason hold that such subsequent judgment or action is not available to the Collateral Agent, no Pledgor shall (A) introduce in any other jurisdiction any judgment so holding as a defense to enforcement against such Pledgor of any remedy in the Credit Agreement, any Swap Contract or any other Credit Docu-

ment or (B) seek to have such judgment recognized or entered in any other jurisdiction, and any such judgment shall in all events be limited in application only to the state or jurisdiction where rendered and only with respect to the collateral referred to in such judgment.

(iii) In the event any instrument in addition to the Allocation Notice is necessary to effectuate the provisions of this Section 12.20 including, without limitation, any amendment to this Agreement, any substitute promissory note or affidavit or certificate of any kind, the Collateral Agent may execute and deliver such instrument as the attorney-in-fact of any Pledgor. Such power of attorney is coupled with an interest and is irrevocable.

(iv) Notwithstanding anything set forth herein to the contrary, the provisions of this Section 12.20 shall be effective only to the maximum extent permitted by law.

SECTION 12.21 Provisions Required by Oregon Law.

(i) Statute of Frauds. UNDER OREGON LAW, MOST AGREEMENTS, PROMISES AND COMMITMENTS MADE BY THE COLLATERAL AGENT AFTER OCTOBER 3, 1989 CONCERNING LOANS AND OTHER CREDIT EXTENSIONS WHICH ARE NOT FOR PERSONAL, FAMILY OR HOUSEHOLD PURPOSES OR SECURED SOLELY BY THE BORROWER'S RESIDENCE MUST BE IN WRITING, EXPRESS CONSIDERATION AND BE SIGNED BY THE COLLATERAL AGENT TO BE ENFORCEABLE.

(ii) Attorney's Fees. In the event suit or action is instituted to enforce any of the terms of this Agreement, the prevailing party shall be entitled to recover its reasonable attorneys' fees at trial, on any appeal, on any petition for review, in an arbitration proceeding, and in any bankruptcy proceeding in addition to all other sums provided by law. Whether or not any court action is involved, all reasonable expenses incurred by Collateral Agent that are necessary at any time in Collateral Agent's opinion for the protection of its interest or the enforcement of its rights shall become a part of the obligations payable on demand and shall bear interest from the date of expenditure until repaid at the applicable rate of interest provided in the Credit Agreement. Expenses covered by this section include (without limitation) the cost of searching records, obtaining title reports, surveyors' reports, attorneys' opinions, title insurance, and fees for the Collateral Agent.

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.

KINETICS GROUP, INC.,
as Borrower and a Pledgor

By: 

Name:

John Goodman

Title:

V.P.

KINETICS HOLDINGS CORPORATION,
as Holdings and a Pledgor

By: 

Name:

Jeff Ott

Title:

President

BIOKINETICS, INC.,
as a Pledgor

By: 

Name:

John Goodman

Title:

Assistant Secretary

CLEAN ROOM TECHNOLOGY, INC.,
as a Pledgor

By: 

Name:

John Goodman

Title:

V.P.

E-FLOW, INC.,
as a Pledgor

By: 

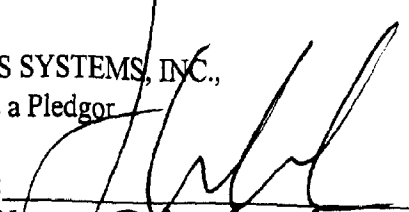
Name:

John Goodman

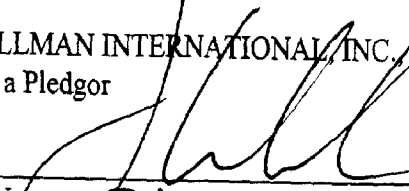
Title:

Assistant Secretary

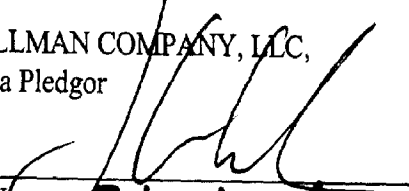
FTS SYSTEMS, INC.,
as a Pledgor

By: 
Name: John Goodman
Title: Assistant Secretary

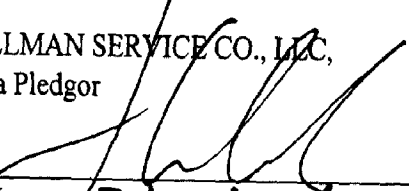
FULLMAN INTERNATIONAL, INC.,
as a Pledgor

By: 
Name: John Goodman
Title: Assistant Secretary

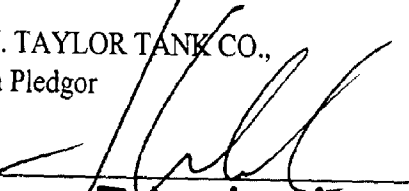
FULLMAN COMPANY, LLC,
as a Pledgor

By: 
Name: John Goodman
Title: Assistant Secretary

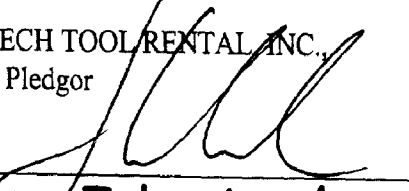
FULLMAN SERVICE CO., LLC,
as a Pledgor

By: 
Name: John Goodman
Title: Assistant Secretary

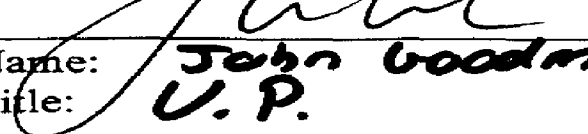
G.W. TAYLOR TANK CO.,
as a Pledgor

By: 
Name: John Goodman
Title: Assistant Secretary

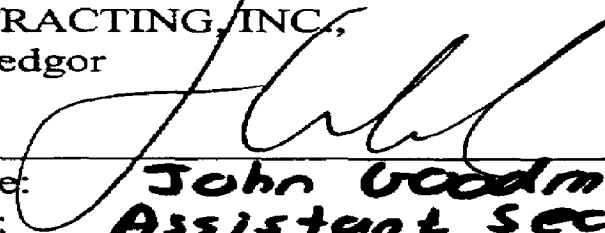
HI-TECH TOOL RENTAL, INC.,
as a Pledgor

By: 
Name: John Goodman
Title: Assistant Secretary

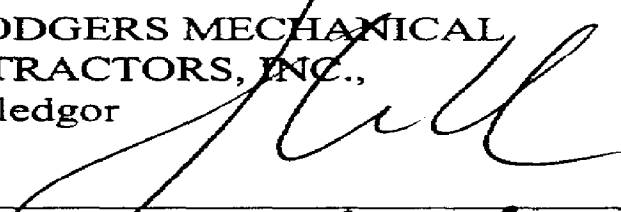
INSYNC SYSTEMS, INC.,
as a Pledgor

By: 
Name: **John Goodman**
Title: **U. P.**


J.B. RODGERS PERFORMANCE
CONTRACTING, INC.,
as a Pledgor

By: 
Name: **John Goodman**
Title: **Assistant Secretary**

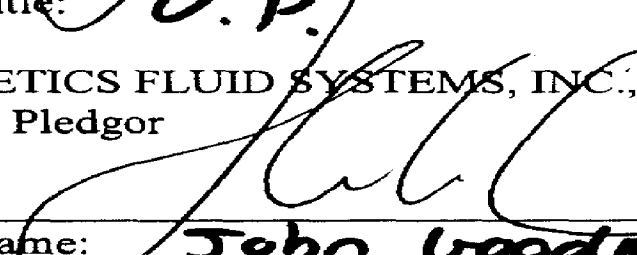
J.B. RODGERS MECHANICAL
CONTRACTORS, INC.,
as a Pledgor

By: 
Name: **John Goodman**
Title: **Assistant Secretary**

KINETICS ELECTRONICS MANAGEMENT,
INC.,
as a Pledgor

By: 
Name: **John Goodman**
Title: **U. P.**

KINETICS FLUID SYSTEMS, INC.,
as a Pledgor

By: 
Name: **John Goodman**
Title: **Assistant Secretary**

KINETICS MANAGEMENT GROUP, INC.,
as a Pledgor

By: 

Name:

Title:

John Goodman
Assistant Secretary

KINETICS MECHANICAL, INC.,
as a Pledgor

By: 

Name:

Title:

John Goodman
Assistant Secretary

KINETICS QUALITY CONTROL, INC. (d/b/a
QAM, INC.) (f/k/a QUALITY ASSURANCE
MANAGEMENT, INC.),
as a Pledgor

By: 

Name:

Title:

John Goodman
Assistant Secretary

KINETIC SYSTEMS, INC.,
as a Pledgor

By: 

Name:

Title:

John Goodman
Assistant Secretary

KINETIC SYSTEMS-CARIBE, INC.,
as a Pledgor

By: 

Name:

Title:

John Goodman
Assistant Secretary

KINETIC SYSTEMS INTERNATIONAL, INC.,
as a Pledgor

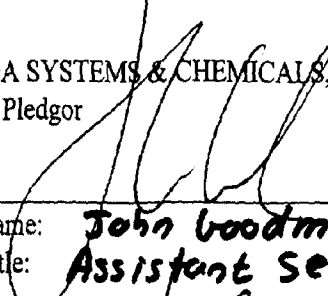
By: 

Name:

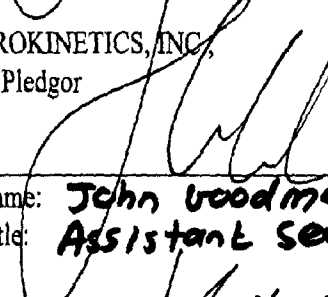
Title:

John Goodman
Assistant Secretary

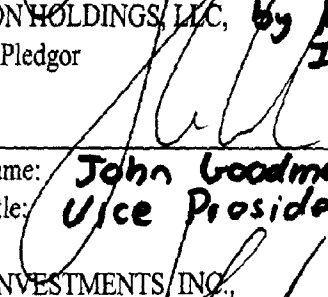
MEGA SYSTEMS & CHEMICALS, INC.,
as a Pledgor

By: 
Name: John Goodman
Title: Assistant Secretary

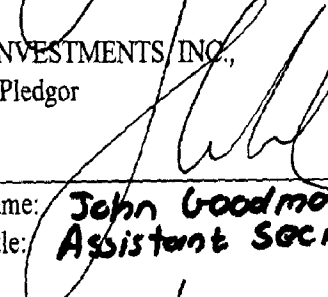
MICROKINETICS, INC.,
as a Pledgor

By: 
Name: John Goodman
Title: Assistant Secretary

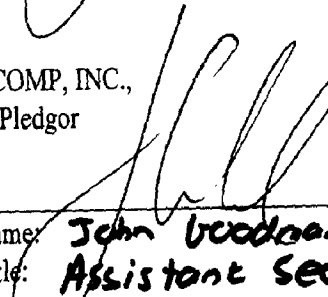
ORION HOLDINGS, LLC, by Kinetics Group,
as a Pledgor Inc., member

By: 
Name: John Goodman
Title: Vice President

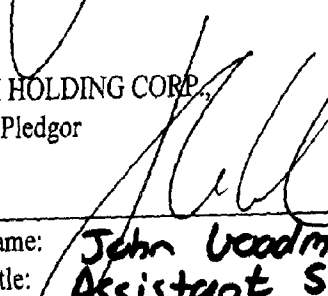
PCI INVESTMENTS, INC.,
as a Pledgor

By: 
Name: John Goodman
Title: Assistant Secretary

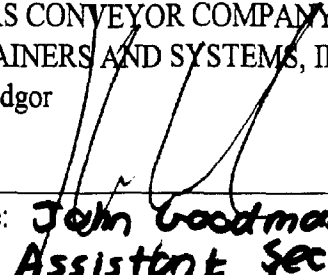
PROCOMP, INC.,
as a Pledgor

By: 
Name: John Goodman
Title: Assistant Secretary

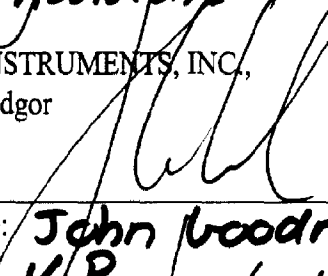
RWH HOLDING CORP.,
as a Pledgor

By: 
Name: John Goodman
Title: Assistant Secretary

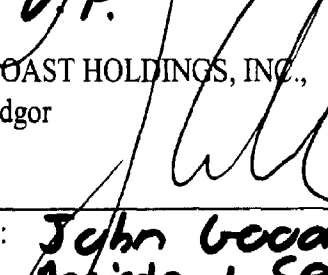
THOMAS CONVEYOR COMPANY d/b/a TOTE
CONTAINERS AND SYSTEMS, INC.,
as a Pledgor

By: 
Name: John Goodman
Title: Assistant Secretary

UNIT INSTRUMENTS, INC.,
as a Pledgor

By: 
Name: John Goodman
Title: V.P.

WEST COAST HOLDINGS, INC.,
as a Pledgor

By: 
Name: John Goodman
Title: Assistant Secretary

BANK ONE, N.A.,

as Collateral Agent

By: 

Name: Joseph Perdenza

Title: Assistant Vice President

PATENT

REEL: 011049 FRAME: 0068

Initial Copyrights

1. Pledgor: KINETIC SYSTEMS, INC.

Title	Country	Registration No.	Registration Date
Cassi—catepillar service skills inventory system	USA	TX33913	10/15/79

2. Pledgor: FTS SYSTEMS, INC.

Title	Country	Registration No.	Registration Date
Accelerator: liquid burn-in systems for power-up testing of electronic components with high watt densities; pamphlet.	USA	TX2179295	09/14/87

3. Pledgor: PROCOMP, INC.

Title	Country	Registration No.	Registration Date
Computer program	USA	TX4272949	03/29/99

4. Pledgor: UNIT INSTRUMENTS, INC.

Title	Country	Registration No.	Registration Date
UCAL-X200: computer-controlled mass flow transfer calibrator system.	USA	TX2553271	04/24/89

Initial Designated Accounts

None.

Initial Pledged Interests

Pledgor: FULLMAN INTERNATIONAL, INC.

ISSUER	TYPE OF INTEREST
Fullman Company, LLC	Limited liability company interest
Fullman Service Co., LLC	Limited liability company interest

Pledgor: **KINETIC SYSTEMS, INC.**

ISSUER	TYPE OF INTEREST
Orion Holdings, LLC	Limited liability company interest

Initial Pledged Shares

Pledgor: **KINETICS HOLDINGS CORPORATION**

<u>ISSUER</u>	<u>CLASS OF STOCK</u>	<u>CERTIFICATE NO(S).</u>	<u>OUTSTANDING NUMBER OF SHARES</u>	<u>PERCENTAGE OF ALL ISSUED CAPITAL OR OTHER EQUITY INTERESTS OF ISSUER</u>
Kinetics Group, Inc.	Common	1	1,000	100%

Pledgor: **KINETICS GROUP, INC.**

ISSUER	CLASS OF STOCK	CERTIFICATE NO(S).	OUTSTANDING NUMBER OF SHARES	PERCENTAGE OF ALL ISSUED CAPITAL OR OTHER EQUITY INTERESTS OF ISSUER
BioKinetics, Inc.	Common	2	100	100%
Clean Room Technology, Inc.	Common	3	200	100%
E-Flow, Inc.	Common	30	7,500	100%
FTS Systems, Inc.	Common	1	1,000	100%
Fullman International, Inc.	Common	1	1,000	100%
G.W. Taylor Tank Co.	Common	4	10,000	100%
Kinetics Electronics Management, Inc.	Common	2	100,000	100%
Insync Systems, Inc.	Common	1	1,000	100%
Kinetics Management Group, Inc.	Common	1	100,000	100%
MEGA Systems & Chemicals, Inc.	Common	3	2,838,000	100%
MicroKinetics, Inc.		6	31,250	100%
PCI Investments, Inc.	Common	3	1,000	100%
RWH Holding Corp.	Common	4	5,894	100%
Thomas Conveyor Company	Common	16	5,894	100%
Kinetic Systems, Inc.	Series A Common	22	5,100,000	100%
	Series A Preferred	PSA-3	2,250,000	100%
	Series B Common	23	4,900,000	100%
	Series B Preferred	PSB-5	137,718	100%

<u>ISSUER</u>	<u>CLASS OF STOCK</u>	<u>CERTIFICATE NO(S).</u>	<u>OUTSTANDING NUMBER OF SHARES</u>	<u>PERCENTAGE OF ALL ISSUED CAPITAL OR OTHER EQUITY INTERESTS OF ISSUER</u>
J.B. Rodgers Mechanical Contractors, Inc.	Common	67	59,372.99	100%
Kinetic Systems International, Inc.	Common	2	100,000	100%
Kinetics Quality Control, Inc. (f/k/a Quality Assurance Management, Inc.)	Common	6	25,000	100%
Newpulse Kinetics Pte Ltd.	Ordinary	1	100	65%
W.H.E. Bio-Systems, Inc.	Common	10	1,800	65%
Reinhold Faeth GmbH	Common	[]	[]	65%
Tote Containers and Systems Limited	Common	[]	[]	65%

Pledgor: **KINETICS ELECTRONICS MANAGEMENT, INC.**

<u>ISSUER</u>	<u>CLASS OF STOCK</u>	<u>CERTIFICATE NO(S).</u>	<u>OUTSTANDING NUMBER OF SHARES</u>	<u>PERCENTAGE OF ALL ISSUED CAPITAL OR OTHER EQUITY INTERESTS OF ISSUER</u>
Hi-Tech Tool Rental, Inc.	Common	14	11,000	100%
Kinetics Systems Caribe, Inc.	Common	8	1,000	100%
ProComp, Inc.	Common	2	100	100%
Kinetics Fluid Systems, Inc.	Common	2	100,000	100%

Pledgor: **PROCOMP, INC.**

<u>ISSUER</u>	<u>CLASS OF STOCK</u>	<u>CERTIFICATE NO(S).</u>	<u>OUTSTANDING NUMBER OF SHARES</u>	<u>PERCENTAGE OF ALL ISSUED CAPITAL OR OTHER EQUITY INTERESTS OF ISSUER</u>
West Coast Holdings, Inc.	Common	1	100,000	100%

Pledgor: **KINETICS FLUID SYSTEMS, INC.**

<u>ISSUER</u>	<u>CLASS OF STOCK</u>	<u>CERTIFICATE NO(S).</u>	<u>OUTSTANDING NUMBER OF SHARES</u>	<u>PERCENTAGE OF ALL ISSUED CAPITAL OR OTHER EQUITY INTERESTS OF ISSUER</u>
Unit Instruments, Inc.	Common	4	1,000	100%

Pledgor: **UNIT INSTRUMENTS, INC.**

<u>ISSUER</u>	<u>CLASS OF STOCK</u>	<u>CERTIFICATE NO(S).</u>	<u>OUTSTANDING NUMBER OF SHARES</u>	<u>PERCENTAGE OF ALL ISSUED CAPITAL OR OTHER EQUITY INTERESTS OF ISSUER</u>
Unit Instruments Japan, Inc.	Common	[]	100	65%
Unit Instruments GmbH	Common	[]	100	65%
Unit Instruments Korea, Inc.	Common	[]	100	65%
Unit Instruments Limited	Common	[]	96,713	65%

Pledgor: **KINETIC SYSTEMS, INC.** Patent Pledge

<u>ISSUER</u>	<u>CLASS OF STOCK</u>	<u>CERTIFICATE NO(S).</u>	<u>OUTSTANDING NUMBER OF SHARES</u>	<u>PERCENTAGE OF ALL ISSUED CAPITAL OR OTHER EQUITY INTERESTS OF ISSUER</u>
Kinetics Mechanical, Inc.	Common	1	100,000	100%
KSI Mexico, S.A. de C.V.	Common	1	50	64%
Kinetic Systems de Mexico, S.A. de C.V.	Common	1	50	60%

Pledgor: **HI- TECH TOOL RENTAL, INC.**

<u>ISSUER</u>	<u>CLASS OF STOCK</u>	<u>CERTIFICATE NO(S).</u>	<u>OUTSTANDING NUMBER OF SHARES</u>	<u>PERCENTAGE OF ALL ISSUED CAPITAL OR OTHER EQUITY INTERESTS OF ISSUER</u>
KSI Mexico, S.A. de C.V.	Common	2	50	2%
Kinetic Systems de Mexico, S.A. de C.V.	Common	2	50	6%

Pledgor: **FULLMAN INTERNATIONAL, INC.**

<u>ISSUER</u>	<u>CLASS OF STOCK</u>	<u>CERTIFICATE NO(S).</u>	<u>OUTSTANDING NUMBER OF SHARES</u>	<u>PERCENTAGE OF ALL ISSUED CAPITAL OR OTHER EQUITY INTERESTS OF ISSUER</u>
F.E.I. Hi-Tech Systems Ltd.	Common	[]	100	65%
Fullman International (Thailand) Ltd.	Common	[]	10,000	65%

Pledgor: **KINETIC SYSTEMS INTERNATIONAL, INC.**

<u>ISSUER</u>	<u>CLASS OF STOCK</u>	<u>CERTIFICATE NO(S).</u>	<u>OUTSTANDING NUMBER OF SHARES</u>	<u>PERCENTAGE OF ALL ISSUED CAPITAL OR OTHER EQUITY INTERESTS OF ISSUER</u>
K.M.I. Micro Electronics, Ltd.	Common	[]	14,200	65%
Kinetic Systems France S.a.r.l.	Common	[]	500	65%
Kinetics (Tianjin) High* Purity Piping Co. Ltd.			—	65%
Kinetics Brazil Ltd.	Common	[]	220,483	65%
Faeth Clean System Technology (Shanghai) Ltd.*			—	65%
Kinetic Systems Singapore Pte Ltd.	Common	[]	50,000	65%
Kinetics Construction (Canada), Inc.	Common	[]		65%
Kinetics PGS Sdn Bhd	Common	[]	5,400,000	65%
Kinetic Systems Netherlands, B.V.	Common	[]	200,000	65%

* Shares not certificated.

Pledgor: **J. B. RODGERS MECHANICAL CONTRACTORS, INC.**

<u>ISSUER</u>	<u>CLASS OF STOCK</u>	<u>CERTIFICATE NO(S).</u>	<u>OUTSTANDING NUMBER OF SHARES</u>	<u>PERCENTAGE OF ALL ISSUED CAPITAL OR OTHER EQUITY INTERESTS OF ISSUER</u>
J. B. Rodgers Performance Contracting, Inc.	Common	1	10,000	100%

Initial Intercompany Notes

None.

Initial Patents1. Pledgor: **KINETICS GROUP, INC.**

Title	Country	Application No.	Filing Date	Patent No.	Issue Date	Status
Gas Handling Device	USA	08/965,077	11/06/97	6,076,543	6/20/00	Issued

2. Pledgor: MEGA SYSTEMS & CHEMICALS, INC.

Title	Country	Application No.	Filing Date	Patent No.	Issue Date	Status
Apparatus and Method for Homogeneous Mixing of a Solution	USA	08/934,819	09/22/97			Issue Fee paid
Quick Disconnect Valve System for Abrasive Slurries	USA	08/649,056	05/16/96	5,791,376	08/11/98	Issued
Quick Disconnect Valve System for Abrasive Slurries	PCT	PCT/US97/08127	05/14/97			Inactive
Quick Disconnect Valve System for Abrasive Slurries	Japan	541085/97	05/14/97			Pending

3. Pledgor: UNIT INSTRUMENTS, INC.

Title	Country	Application No.	Filing Date	Patent No.	Issue Date	Status
Manifold System for Enabling a Distribution of Fluids	USA	09/111,999	07/08/98			Pending
Manifold System for Enabling a Distribution of Fluids	PCT	PCT/US99/15272	07/07/99			Pending
Manifold System for Enabling a Distribution of Fluids	Europe	94930532.0	09/30/94			Pending
Manifold System of Removable Components for Distribution of Fluids	USA	09/229,722	01/13/99			Pending
Manifold System for Enabling a Distribution of Fluids	PCT					Pending
Pressure Insensitive Gas Control System	USA	60/143,478	07/12/99			Pending
Gas Panel	USA	08/739,936	10/30/96	5,922,463	11/30/99	Issued
Gas Panel	Europe	97913896.3	10/29/97			Published
Gas Panel	Japan	522597/1998	10/29/97			Pending
Gas Panel	Korea	7003781/1999	10/29/97			Pending
Gas Panel	Taiwan	86116147	10/30/97			Pending
Gas Panel	USA	08/960,464	10/29/97			Pending
Gas Panel	Canada	not yet issued	10/28/98			Pending
Gas Panel	China	not yet issued	10/28/98			Pending
Gas Panel	Europe	98956297.0	10/28/98			Pending
Gas Panel	Japan	518223/2000	10/28/98			Pending
Gas Panel	Korea	7004589/2000	10/28/98			Pending
Gas Panel	Mexico	004198	10/28/98			Pending
Gas Panel	PCT	PCT/US98/22912	10/28/98			Inactive
Manifold System for Enabling a Distribution of Fluids	USA	not yet issued	01/12/00			Pending
Method and Apparatus for Balancing Resistance	USA	60/182,306	02/14/00			Pending
Thermal Mass Flow Controller Having Orthogonal Thermal Mass Flow Sensor	Germany	93924335.8	10/15/93	0664879	01/05/00	Granted
Thermal Mass Flow Controller Having	Europe	93924335.8	10/15/93	0664879	01/05/00	Inactive

Title	Country	Application No.	Filing Date	Patent No.	Issue Date	Status
Orthogonal Thermal Mass Flow Sensor						
Thermal Mass Flow Controller Having Orthogonal Thermal Mass Flow Sensor	France	93924335.8	10/15/93	0664879	01/05/00	Granted
Thermal Mass Flow Controller Having Orthogonal Thermal Mass Flow Sensor	Great Britain	93924335.8	10/15/93	0664879	01/05/00	Granted
Thermal Mass Flow Controller Having Orthogonal Thermal Mass Flow Sensor	Italy	93924335.8	10/15/93	0664879	01/05/00	Granted
Thermal Mass Flow Controller Having Orthogonal Thermal Mass Flow Sensor	Japan	510311/94	10/15/93			Pending
Thermal Mass Flow Controller Having Orthogonal Thermal Mass Flow Sensor	Korea	701451/1995	10/15/93			Pending
Mass Flow Controller Having Orthogonal Sensor	USA	09/499,762	02/08/00			Pending
Gas Panel	USA	09/371,408	08/10/99			Pending
Gas Panel	USA	09/371,655	08/10/99			Pending
Mass Flow Controller Having Orthogonal Sensor	USA	08/815,323	03/10/97	6,044,701	04/04/00	Granted
Apparatus for Handling Process Fluid	Japan	7-510916	09/30/94			Pending
Apparatus for Handling Process Fluid	Korea	701790-1996	09/30/94			Pending
Gas Panel	USA	09/371,659	08/10/99			Pending
Electrical Interconnect System*	USA	06/724,743	04/18/85	4,647,133	03/03/87	Issued
Mass Flow Controller with Vertical Purifier	USA	08/758,971	12/02/96	5,730,181	03/24/98	Issued
Mass Flow Meter with Reduced Attitude Sensitivity	USA	06/173,282	07/29/80	4,440,021	04/03/84	Issued
Thermal Mass Flow Meter*	USA	06/526,860	08/26/83	4,542,650	09/24/85	Issued
Thermal Mass Flowmeter and Controller*	USA	06/721,535	04/10/85	4,685,331	08/11/87	Issued
Electromagnetic Valve	USA	06/790,279	10/22/85	4,690,371	09/01/87	Issued

Title	Country	Application No.	Filing Date	Patent No.	Issue Date	Status
with Permanent Magnet Armature*						
Apparatus for Handling Process Fluid	USA	08/557,378	11/13/95	5,803,507	09/08/98	Issued
Method and Apparatus for Determining a Rate of Flow of Gas by a Rate of Change of Pressure	USA	790,218	02/03/97	5,925,829	07/20/99	Issued

* Assigned as a security interest to Applied Materials, Inc. on 11/25/86.

4. Pledgor: FTS SYSTEMS, INC.

Title	Country	Application No.	Filing Date	Patent No.	Issue Date	Status
Positioning Device for Temperature Sensor in Freeze Drying	USA	08/176,422	01/03/94	5,447,374	09/05/95	Issued
Positioning Device for Temperature Sensor in Freeze Drying	USA	07/459,534	01/02/90	4,966,469	10/30/90	Issued
Freeze Dryer for Unattended Operation	USA	07/126,752	11/30/87	4,823,478	04/25/89	Issued
Process and Device for Determining the End of a Primary Stage of Freeze Drying	USA	07/126,077	11/30/87	4,780,964	11/01/88	Issued
Apparatus and Method for Effecting a Burn-In Procedure on Semiconductor Devices	USA	900,530	08/26/86	4,745,354	05/17/88	
Apparatus and Method for Effecting a Burn-In Procedure on Semiconductor Devices	PCT	PCT/US86/02713	12/18/86			Inactive

5. Pledgor: INSYNC SYSTEMS, INC.

Title	Country	Application No.	Filing Date	Patent No.	Issue Date	Status
Building Blocks for Integrated Gas Panel	USA	08/760,150	12/3/96	5,836,355	11/17/98	Issued
Building Blocks for Integrated Gas Panel	Europe	97947611.6	11/19/97			Published
Building Blocks for Integrated Gas Panel	Japan	525622/98	11/19/97			Pending
Building Blocks for Integrated Gas Panel	Korea	99-7004883	06/02/99			Pending
Building Blocks for Integrated Gas Panel	Singapore	9605638.7	08/05/92	52535	10/19/99	Granted
Building Blocks for Integrated Gas Panel	PCT	PCT/US97/21327	11/19/97			Inactive
Integrated Gas Panel*	USA	08/404,485	03/17/95	5,605,179	02/25/97	Issued
Methods for Improving Semiconductor Processing	Japan	520051/95	01/12/95			Pending
Methods for Improving Semiconductor Processing	Korea	96-704068	01/12/95			Pending
Methods for Improving Semiconductor Processing	Singapore	9605426-7	01/12/95			Pending
Methods for Improving Semiconductor Processing	PCT	PCT/US95/00131	01/12/95			Inactive
System of Modular Substrates for Enabling the Distribution of Process Fluids through Removable Components	USA	09/456,226	12/06/99			Pending
Building Blocks for Integrated Gas Panel	USA	08/931,060	09/15/97			Pending
Method for Purifying Gas Distribution Systems	USA	741,651	08/07/91	5,178,651	01/12/93	Issued
Method for Purifying Gas Distribution Systems	Europe	92917799.6	08/05/92	0641241	07/10/96	Granted
Method for Purifying Gas Distribution Systems	Germany	92917799.6	08/05/92	0641241	07/10/96	Granted
Method for Purifying Gas Distribution Systems	France	92917799.6	08/05/92	0641241	07/10/96	Granted
Method for Purifying Gas Distribution Systems	Great Britain	92917799.6	08/05/92	0641241	07/10/96	Granted
Method for Purifying Gas Distribution Systems	Hong Kong	98102740.2	04/01/98	1003781	11/06/98	Granted

Title	Country	Application No.	Filing Date	Patent No.	Issue Date	Status
Method for Purifying Gas Distribution Systems	Japan	503820/93	08/05/92			Pending
Method for Purifying Gas Distribution Systems	PCT	PCT/US92/06505	08/05/92			Inactive
Apparatus and Method for Purifying Gas Distribution Systems	Singapore	9605638.7	08/05/92	52535	10/19/99	Granted
Sieve Like Structure for Fluid Flow Through Structural Arrangement	USA	09/060,519	04/14/98			Pending
Sieve Like Structure for Fluid Flow Through Structural Arrangement	PCT	PCT/US99/07223	03/31/99			Published
Mounting Panel for Integrated Gas Panel	USA	08/893,773	07/11/97			Pending
Mounting Panel for Integrated Gas Panel	Europe	not yet issued	06/04/98			Pending
Mounting Panel for Integrated Gas Panel	Japan	not yet issued	06/04/98			Pending
Mounting Panel for Integrated Gas Panel	Korea	not yet issued	06/04/98			Pending
Mounting Panel for Integrated Gas Panel	PCT	PCT/US98/11574	06/04/98			Inactive
Method for Improving Semiconductor Process	USA	08/513,599	08/10/95			Pending

6. Pledgor: THOMAS CONVEYOR COMPANY

Title	Country	Application No.	Filing Date	Patent No.	Issue Date	Status
Fluidized Bed Discharge Bin	USA	07/552,992	07/16/90	5,096,096	3/17/92	Issued
Locking Devise	USA	09/543,427	04/06/00			Pending

Prior Liens

DEBTOR	JURISDICTION	UCC	FIXTURE	SECURED PARTY	COLLATERAL
BioKinetics, Inc.	SOS PA	26241225 01/06/1997		Mellon Leasing Corporation	Specified office furniture pursuant to Lease No. 00127524, including all accessions, attachments, replacements and substitutions.
		26741539 06/03/1997	AMENDMENT		Additional office equipment as specified.
		28071719 10/07/1997	General Electric Capital Corp.		Specified computer equipment, hardware and software.
		28071724 10/10/1997	General Electric Capital Corporation		Specified weld heads, power supply units, orbital welders, cooling unit and manufacturing equipment.
BioKinetics, Inc.	Berks Co.	97-2518 10/08/1997		General Electric Capital Corporation	Specified office furniture, computer and equipment.
BioKinetics, Inc.	SOS NC	1508654 10/09/1997		General Electric Capital Corporation	Specified welding equipment, cooling equipment and power supply equipment.
BioKinetics, Inc.	SOS CA	9700660595 01/06/1997		Mellon US Leasing, a division of Mellon Leasing Corporation	Specified office furniture pursuant to Lease No. 00127524.
		97155C0335 06/03/1997		AMENDMENT	Additional specified office furniture.
		9728061007 10/06/1997		General Electric Capital Corporation	Specified welding equipment, cooling equipment and power supply equipment.

DEBTOR	JURISDICTION	UCC	FIXTURE	SECURED PARTY	COLLATERAL
		9728160122 10/06/1997		General Electric Capital Corporation	Computer equipment, printers, support hardware and software.
		9732361084 11/19/1997		General Electric Capital Corporation	Computer hardware, manuals and software.
		9732361182 11/19/1997		General Electric Capital Corporation	Specified weld heads, power supply units and manufacturing equipment.
		9734360551 12/08/1997		General Electric Capital Corporation	Specified tube fixtures, weld heads and manufacturing equipment.
		9734360591 12/08/1997		General Electric Capital Corporation	Computer equipment and attachments.
		9812661146 05/06/1998		General Electric Capital Corporation	Specified computer equipment, hardware, software and manufacturing equipment.
		9824060316 08/27/1998		General Electric Capital Corporation	13 EIS 1000 imaging systems, including all parts, accessories, additions, substitutions and attachments.
		9904260450 02/08/1999		General Electric Capital Corporation	Specified furniture and office equipment.
E-Flow, Inc.	SOS CA	9615260816 05/30/1996		Sanwa Business Credit Corporation	Specified equipment and truck (model CNR40).
		9616560223 06/10/1996		NTFC Capital Corporation	Hardware and software, including all substitutions, replacements, attachments and upgrades, as specified.
		9923560430 08/09/1999		Valin Corporation	Specified equipment, including valves, displays and pressure transducers.

DEBTOR	JURISDICTION	UCC	FIXTURE	SECURED PARTY	COLLATERAL
Fullman Company, LLC	SOS OR	S98899 05/07/1996		Caterpillar Financial Services Corporation	Caterpillar GP25 lift truck, including all substitutions, replacements, additions and accessions thereto.
		393038 10/01/1997		Lease Corporation of America	Specified equipment.
G.W. Taylor Tank Co.	SOS TX	96-00209263 10/24/1996		StyroChem International, Inc.	Specified flanges, welding material and manufacturing equipment.
		98-100258 05/15/1998		Sanwa Business Credit Corporation	Komatsu forklift (model FD45T-6) with Serial No. 37146A, including all replacement parts, repairs and accessories.
		97183C0027 06/30/1997		Heller Financial, Inc.	Specified manufacturing equipment and machinery.
Insync Systems, Inc.	SOS CA	9730261003 10/24/1997		Fidelity Leasing, Inc.	Computers, software and hardware.
		9524460187 08/31/1995		AT&T Credit Corporation	AT&T Definity G3R group video system with Audix pursuant to Lease No. W316171, including all attachments and accessories.
		9524460412 08/31/1995		AT&T Credit Corporation	AT&T group video systems pursuant to Lease No. W316171, including all attachments and accessories.
		9525160340 09/01/1995		Copelco Capital, Inc.	Specified manufacturing equipment and computers pursuant to Lease No. 064608- 0 and Lease No. 064608-1.

DEBTOR	JURISDICTION	UCC	FIXTURE	SECURED PARTY	COLLATERAL
		9525160343 09/01/1995		Copelco Capital, Inc.	Specified manufacturing equipment and computers pursuant to Lease No. 064608-0 and Lease No. 064608-1.
		9603960876 02/08/1996		AT&T Credit Corporation	AT&T Definity G3R group video system and MCU pursuant to Lease No. W316171, including all attachments and accessories.
Insync Systems, Inc.	SOS CA	9609660707 04/04/1996		General Electric Capital Corporation	Lease of 2 Savin 9450 and 1 Savin 9800 fax machines, including all substitutions attachments, replacements and upgrades.
		9725260297 09/05/1997		International Software Finance Corporation	Tool maintenance kit, consulting and database equipment.
		9729560528 10/20/1997		AT&T Credit Corporation	Bay network data equipment pursuant to Lease No. W316171, including all attachments, accessories and replacements.
		9730961314 10/31/1997		American Capital Group, Inc.	Specified office equipment and computer equipment.
		9734360968 12/04/1997		Computer Sales International, Inc.	Specified equipment pursuant to Master Lease No. 150880.
		9735860057 12/18/1997		Leasetec Systems Credit	Specified equipment and computer hardware pursuant to Lease No. L6396-00,02,03.
		9823060014 08/13/1998		Valin Corporation	Specified equipment consisting of valves and fittings.

DEBTOR	JURISDICTION	UCC	FIXTURE	SECURED PARTY	COLLATERAL
		9901661029 01/11/1999		Associates Commercial Corporation	Forklift with Serial No. CPJ02-9P2040.
		9922960838 08/12/1999		Newcourt Communications Finance Corporation	Lucent Technologies Inc. Definity G3I group video system pursuant to Lease No. W316171, including all attachments.
		9633160780 11/25/1996		Lyon Credit Corporation	Specified furniture, fixtures and equipment.
		99350C0412 012/10/1999		Hudson United Bank	Specified furniture, fixtures and equipment.
J.B. Rodgers Mechanical Contractors, Inc.	SOS AZ	812815-0 12/19/1994		Scotsman Group, Inc.	Mobile office with Serial No. SPI 16799.
		812816-0 12/19/1994		Scotsman Group, Inc.	Mobile office with Serial No. 16800.
J.B. Rodgers Mechanical Contractors, Inc.	Maricopa Co.	94-0884037 12/20/1994		Scotsman Group, Inc.	Mobile office with Serial No. SPI 16799.
		94-0884038 12/20/1994		Scotsman Group, Inc.	Mobile office with Serial No. SPI 16800.
Kinetics Fluid Systems, Inc.	SOS CA	9922960838 08/12/1999		Newcourt Communications Finance Corporation	Lucent Technologies Inc. Definity G3I group video system pursuant to Lease No. W316171, including all attachments.
		9918860197 06/28/1999		Applied Materials, Inc.	Specified equipment and raw material pursuant to Asset Purchase Agreement, dated June 25, 1999.

DEBTOR	JURISDICTION	UCC	FIXTURE	SECURED PARTY	COLLATERAL
		9927460905 09/24/1999		Applied Materials, Inc.	Raw materials pursuant to supplement to Amended Asset Purchase Agreement, dated September 16, 1999.
Kinetics Fluid Systems, Inc.	SOS AZ	1081829-0 8/24/1999		Newcourt Communications Finance	Lucent Technologies Inc. Definity G3SI group video system pursuant to Lease No. X576520, including all attachments, accessions, additions, substitution products, replacements and proceeds.
Kinetics Fluid Systems, Inc.	SOS TX	99-129227 06/28/1999		Applied Materials, Inc.	Specified equipment, raw materials, operating programs and capital equipment pursuant to Asset Purchase Agreement, dated June 25, 1999.
Kinetics Group, Inc.	SOS CA	9728061007, 10/6/97		General Electric Capital Corporation	Specified weld heads, power supply equipment and manufacturing equipment.
		9728160122, 10/6/97		General Electric Capital Corporation	Office equipment, computers, software and hardware.
		9732361084, 11/19/97		General Electric Capital Corporation	Computer equipment.
		9732361182, 11/19/97		General Electric Capital Corporation	Specified weld heads and manufacturing equipment.
		9734360551, 12/8/97		General Electric Capital Corporation	Specified tube to tube fixtures, weld heads and manufacturing equipment.
		9734360591, 12/8/97		General Electric Capital Corporation	Specified computer equipment.

DEBTOR	JURISDICTION	UCC	FIXTURE	SECURED PARTY	COLLATERAL
		9810560275, 4/14/98		Mellon US Leasing, a division of Mellon Leasing Corporation	Specified office and computer equipment.
		9730061019, 10/23/97		Mellon US Leasing, a division of Mellon Leasing Corporation	Lease of specified computer equipment, office furniture, hardware and software.
		9812661146, 5/6/98		General Electric Capital Corporation	Specified computer equipment and hardware.
		9824060316 8/27/98		General Electric Capital Corporation	13 EIS 1000 imaging systems.
		9904260450, 2/8/99		General Electric Credit Corporation	Specified office furniture.
		9719260741, 7/10/97		Mellon US Leasing, a division of Mellon Leasing Corporation	Arc machines, power supply equipment and weld heads pursuant to Equipment Lease.
		9722760225, 8/13/97		NTFC Capital Corporation	Lease of specified equipment and software.
		9804260528 2/10/98		NTFC Capital Corporation	Lease of specified office equipment.
Kinetics Group, Inc.	Marlborough Town Clerk	36856 03/19/1997		NTFC Capital Corporation	Specified equipment, software and hardware pursuant to the Master Lease Agreement.
		38119 10/28/1997		General Electric Capital Corporation	Specified weld heads, water cooling units, power supply equipment, orbital welders, and manufacturing equipment.

DEBTOR	JURISDICTION	UCC	FIXTURE	SECURED PARTY	COLLATERAL
		38120 10/28/1997		General Electric Capital Corporation	Specified computer software and hardware.
		38200 11/21/1997		General Electric Capital Corporation	Specified computer hardware and software.
		38201 11/21/1997		General Electric Capital Corporation	Specified computer hardware and software.
		38245 12/12/1997		General Electric Capital Corporation	Specified computer hardware and software.
		38246 12/12/1997		General Electric Capital Corporation	Specified computer hardware and software.
Kinetics Management Group, Inc.	SOS CA	0014660665 5/19/2000		Ameritech Credit Corporation	Lease of telecommunications and data equipment.
Kinetic Systems, Inc.	SOS CA	9700660595 01/06/1997		Mellon US Leasing, a division of Mellon Leasing Corporation	Specified office furniture pursuant to Lease No. 00127524.
		97155C0335 06/03/1997		AMENDMENT	Additional office furniture.
		90257543 10/16/1990		RTC Communications	Lease of telecommunications equipment, modules and specified office equipment.
		95291C0787 10/16/1995		CONTINUATION	
		9531260314 11/06/1995		IBM Credit Corporation	Computer equipment, including upgrades and replacements.

DEBTOR	JURISDICTION	UCC	FIXTURE	SECURED PARTY	COLLATERAL
		9534161020 12/05/1995		Vanguard Financial Service Corp.	1 Dietzgen 636 DM Deluxe copier system.
		9603660265 02/02/1996		Minolta Leasing Services	EP 6000 and EP 3050 Minolta copier systems pursuant to Lease No. 24176713, including all attachments, replacements, accessories, substitutions and proceeds.
		9606660072 02/29/1996		Minolta Leasing Services	EP 6000 Minolta copier system pursuant to Lease No. 24179087, including all attachments, replacements, accessories, substitutions and proceeds.
		9608160771 03/19/1996		Minolta Leasing Services	EP 3050 Minolta copier system pursuant to Lease No. 2418050, including all attachments, replacements, accessories, substitutions and proceeds.
		9617360417 06/17/1996		Moore Material Handling Group, Inc. and Nissan Motor Acceptance Corporation	Forklift with Serial No. Kugh02P900581.
		96424960502 09/03/1996		Minolta Leasing Services	2 EP 4050 and 1 EP 6000 Minolta copier systems pursuant to Lease No. 241946, including all attachments, replacements, accessories, substitutions and proceeds.
		9627560583 09/27/1996		AT&T Capital Leasing Services Inc.	EP 8600 Minolta copier system and Savens fax machine (model 3640) pursuant to Lease No. 0058137, including all attachments, replacements, accessories, substitutions and proceeds.

DEBTOR	JURISDICTION	UCC	FIXTURE	SECURED PARTY	COLLATERAL
		96295600447 10/15/1996		Minolta Leasing Services	CF 600 Minolta copier system pursuant to Lease No. 24198297, including all attachments, replacements, accessories, substitutions and proceeds.
		9631060410 10/31/1996		Tokai Financial Services, Inc.	7 fax machines pursuant to Lease No. 24199723.
		9631891069 11/12/1996		AT&T Capital Leasing Services, Inc.	Specified office equipment pursuant to Lease No. 00590276.
		9633060640 11/22/1996		Panasonic Communications and Sanwa Leasing Corporation	Panasonic copier system with Serial No. 06600831349.
		9701660195 01/15/1997		Safeco Credit Co., Inc.	Forklift pursuant to Lease No. 17897.
		9704560363 02/07/1997		Minolta Leasing Services	1 EP 6000 Minolta copier system and 2 Panasonic fax machines pursuant to Lease No. 24207926, including all attachments, replacement, accessories, substitutions and proceeds.
		9710060424 04/03/1997		Minolta Leasing Services	EP 5050 and EP 6000 Minolta copier system pursuant to Lease No. 24213661, including all attachments, replacement, accessories, substitutions and proceeds.
		9728061007 10/06/1997		General Electric Capital Corporation	Specified weld heads, power supply units and tools.
		9728160122 10/06/1997		General Electric Capital Corporation	Specified weld heads, power supply units and tools.

DEBTOR	JURISDICTION	UCC	FIXTURE	SECURED PARTY	COLLATERAL
		9730761030 10/28/1997		Minolta Leasing Services	EP 6001 Minolta copier system pursuant to Lease No. 24234150, including all attachments, replacements, accessories, substitutions and proceeds.
		9732361084 11/19/1997		General Electric Capital Corporation	Specified computer equipment.
		9732361182 11/19/1997		General Electric Capital Corporation	Specified weld heads, power supply units and tools.
		9734360551 12/08/1997		General Electric Capital Corporation	Specified weld heads, power supply units and tools.
		9734360591 12/08/1997		General Electric Capital Corporation	Specified weld heads, power supply units and tools.
		9803661010 01/30/1998		E.A. Hathaway and Company	Specified equipment, consisting of heat exchangers, compressors, receiver, digers, uv sterilizers, pumps, filters, tanks and pipes.
		9721360381 07/28/1997		Bridgeway Capital Corporation and Sterling Bank and Trust	Specified pipe cutters, ground clamps and power supply units.
		98044C0434 02/11/1998		ASSIGNED to The C.I.T. Group Equipment Financing	Specified pipe cutters, ground clamps and power supply units.

DEBTOR	JURISDICTION	UCC	FIXTURE	SECURED PARTY	COLLATERAL
		9810560275 04/14/1998		Mellon US Leasing, a division of Mellon Leasing Corporation	Specified computer equipment, furniture, fixtures, software, manufacturing equipment, analytical equipment and orbital welding equipment pursuant to Master Lease Agreement, dated June 20, 1997.
		9730061019 10/23/1997		Mellon US Leasing, division of Mellon Leasing Corporation	Specified computer equipment, software, hardware, welding equipment and related manufacturing equipment pursuant to Schedule 128947 to Master Lease Agreement, dated June 20, 1997.
		9812660153 05/05/1998		Minolta Leasing Services	Minolta copier system pursuant to Lease No. 24254890.
		9812661146 05/06/1998		General Electric Capital Corporation	Specified computer equipment, software and hardware.
		9824060316 08/27/1998		General Electric Capital Corporation	13 EIS 1000 imaging systems, including all parts, equipment, accessories and attachments.
		9830260153 10/22/1998		Pitney Bowes Credit Corporation	Specified equipment pursuant to Lease, dated June 23, 1998.
		9904260450 02/08/1999		General Electric Capital Corporation	Specified furniture, including attachments, accessories, additions, replacements and substitutions.
		9906160228 02/19/1999		Panasonic Communications and Sanwa Leasing Corporation	7715 Panasonic copier system with Serial No. IIMKH31698.

DEBTOR	JURISDICTION	UCC	FIXTURE	SECURED PARTY	COLLATERAL
Nexus Properties, Inc.	SOS CA	0001360754 01/07/2000		Midland Loan Services, Inc.	All debtor's estate, right, title and interest in the Mortgaged Property (located at 2805 Mission College Blvd., Santa Clara, California).
Nexus Properties, Inc.	Santa Clara Co.		15055012 11/10/1999 Deed of Trust, Security Agreement, Assignment of Leases and Rents and Fixture Filings.	Midland Loan Services, Inc.	All debtor's estate, right, title and interest in the Mortgaged Property located at 2805 Mission College Blvd., Santa Clara, California.
Kinetic Systems, Inc.	SOS CO	19982034104 6/26/98		Mellon US Leasing, a division of Mellon Leasing Corporation	Specified computer equipment, furniture, fixtures, software support, manufacturing equipment, analytical equipment and orbital welding equipment pursuant to Master Lease Agreement, dated June 20, 1997, including all accessories, attachments and replacements.
		19972086105 10/7/97		General Electric Capital Corporation	Specified weld heads, analyzers, power supply units and manufacturing equipment.
Kinetic Systems, Inc.	SOS FL	970000233175 10/14/97		General Electric Capital Corporation	Specified weld heads, cooling units and manufacturing equipment.
Kinetic Systems, Inc.	SOS MA	93 163604 05/28/1993		Safeco Credit Company, Inc. (under same filing number).	14 clean room trailers as specified.
Kinetic Systems, Inc.	Marlborough Town Clerk	36840 3/17/97		Minolta Leasing Services	CS5050 Minolta copier system pursuant to Lease No. 24210884.

DEBTOR	JURISDICTION	UCC	FIXTURE	SECURED PARTY	COLLATERAL
		93 148939 03/23/1993		Eaton Financial Corporation	Minolta 8602 copier system and specified equipment pursuant to Lease No. 00313634, including, all accessories, attachments, additions and substitutions.
		93 172823 07/12/1993		C.I.T. Group Equipment Financing	Specified cold saws, pipe cutting and beveling machines, bandsaws and manufacturing equipment.
		93 172824 07/12/1993		C.I.T. Group Equipment Financing	Specified manufacturing equipment, including forklifts, shears, drill presses and bar folders.
		94 236552 05/20/1994		Heller Financial, Inc.	Specified leak detectors, oxygen analyzers, power supply equipment, weld head assembly equipment and computer equipment.
		94 267313 10/14/1994		New England Capital Corporation	Data processing equipment, computer equipment and other personal property pursuant to Lease Agreement, dated March 22, 1993, including all modifications, additions and replacements.
		97 454394 03/31/1997		Minolta Leasing Services	CS 5050 Minolta copier system pursuant to Lease No. 24210884, including all attachments accessories, substitutions, replacements and proceeds.
		98 553384 05/29/1998		Citicorp Del Lease, Inc.	Caterpillar forklift (model TC 600) with Serial No. 9PB01629.
		99 607005 02/01/1999		Toyota Motor Credit Corp.	Toyota forklift (model 6FGC030) with Serial No. 61515.

DEBTOR	JURISDICTION	UCC	FIXTURE	SECURED PARTY	COLLATERAL
		97 502960 10/10/1997		General Electric Capital Corporation	Specified water cooling units, power supply equipment and manufacturing equipment.
		97 502961 10/10/1997		General Electric Capital Corporation	Specified computer equipment, software, hardware and support equipment.
Kinetic System Inc.	Marlborough Town Clerk	36840 3/17/97		Minolta Leasing Services	CS5050 Minolta copier system pursuant to Lease No. 24210884.
		40526 8/10/2000		Newcourt Leasing Corporation	Lease of Panasonic D600 copier system with Serial No. EABWA312721.
MEGA Systems & Chemicals, Inc.	SOS AZ	976780 7/16/97		Nissan Motor Acceptance Corporation	Nissan forklift (model PE35YSC).
		01115900 5/4/2000		Filter Finance	7200 GPD water purification system pursuant to Lease No. 146-0036314-001, including all accessories, attachments, upgrades and substitutions.
MicroKinetics, Inc.	SOS TX	97-00207797 10/07/1997		General Electric Capital Corporation	Specified weld heads, orbital welders, cooling units and manufacturing equipment.
		97-00207798 10/07/1997		General Electric Capital Corporation	Specified computer hardware and software.
		97-249395 12/09/1997		General Electric Capital Corporation	Specified rotor driver unit, tube fixtures, weld heads and manufacturing equipment.
Quality Assurance Management, Inc.	SOS TX	97-00207797 10/07/1997		General Electric Capital Corporation	Specified weld heads, orbital welders, cooling units and manufacturing equipment.

DEBTOR	JURISDICTION	UCC	FIXTURE	SECURED PARTY	COLLATERAL
		97-00207798 10/07/1997		General Electric Capital Corporation	Specified computer hardware and software.
		97-249395 12/09/1997		General Electric Capital Corporation	Specified rotor driver unit, tube fixtures, weld heads and manufacturing equipment.
		95-00186130 09/25/1995		Stewart & Stevenson Services, Inc.	Hyster forklift (model H100XL) with Serial No. G005D005143S.
		95-00192906 10/04/1995		G.E. Capital Corporation	Telephone system, voice mail system and paging system, including all substitutions, replacements, attachments and upgrades.
		96-00044220 03/06/1996		Aaron Rents, Inc.	Specified furniture, furnishings, appliances, electronic goods and all related accessories.
		96-00116350 06/12/1996		Stewart & Stevenson Services, Inc.	Hyster lift truck (model H50XM) with Serial No. D177B24609S.
		96-00151732 08/01/1996		Copelco Capital, Inc.	2 Minolta EP 6000 copier systems and 2 Minolta EP 3050 copier systems.
		96-00198960 10/07/1996		Hyster Credit Company	Hyster lift truck (model H50XM) with Serial No. D177B24609S, including all attachments and accessories.
		99-00243237 12/08/1999		Citicorp Del Lease, Inc.	Komatsu sideshifter (model FG25T-12) with Serial No. 507707.
Unit Instruments, Inc.	SOS CA	0019260459 07/03/2000		U.S. Bancorp Leasing & Financial Machine Tool Finance Group	Nakamura-Tome (model TW20), 6-Axis CNC turning center, chip conveyor, 2 barfeed systems, including all replacements, parts, repairs, additions,

DEBTOR	JURISDICTION	UCC	FIXTURE	SECURED PARTY	COLLATERAL
					accessions, accessories and any and all proceeds.
		0020160202 07/13/2000		Methods Machine Tools, Incorporated	Nakamura-Tome (model TW-20), including tooling, barfeed system, spindle liners, pusher with brushing, LNS installation, chip conveyor, bar feed interface, 6 rotary face mills, and ATS collet chuck.
W.H.E. Bio-Systems, Inc.	Ontario Province, Canada	PPSA 859732857 03/06/2000		Image Financial Services, Inc.	Canon equipment and accessories.
		PPSA 856985994 11/23/1999		GMAC Leaseco Limited	2000 Pontiac Montana motor vehicle VIN: 1GMDX03E1YD120541.
		PPSA 856952271 11/22/1999		GMAC Leaseco Limited	2000 Pontiac Montana motor vehicle VIN: 1GMDX03E8YD135750.
		PPSA 856952289 11/22/1999		GMAC Leaseco Limited	2000 Pontiac Montana motor vehicle VIN: 1GMDX03E7YD122861

DEBTOR	JURISDICTION	UCC	FIXTURE	SECURED PARTY	COLLATERAL
		PPSA 856679472 11/12/1999		National Leasing Group, Inc.	Specified equipment and software.
		PPSA 854552844 09/02/1999		OE Financial Services Inc.	Canon equipment and accessories.
		PPSA 853677351 08/05/1999		OE Financial Services, Inc.	Canon equipment and accessories.
		PPSA 853366725 07/26/1999		Heller Global Vendor Finance, Inc.	All goods supplied by secured party, including all parts and accessories, accessions and proceeds thereof.
		PPSA 851881968 06/09/1999		Fidelity Leasing Canada	CF910 color copier system.
		PPSA 826241301 11/12/1996		OE Financial Services, Inc.	Canon equipment and accessories.

Initial Trademarks**1. Pledgor: KINETICS GROUP, INC.**

Mark	Country	Serial No.	Filing Date	Reg. No.	Reg. Date	Goods	Status
CHEMICAL ICON	USA	75/176,414	10/03/96	2,285,861	10/12/99	Installation of Process Piping and Control Systems for use in Manufacturing Processes of Biotech.	Registered
WATER ICON	USA	75/176,413	10/03/96	2,278,282	09/14/99	Installation of Process Piping and Control Systems for use in the Manufacturing Processes Biotech.	Registered
GAS ICON	USA	75/176,410	10/03/96	2,281,909	09/28/99	Installation of Process Piping and Control Systems for use in the Manufacturing Processes Biotech.	Registered
RING DESIGN	USA	75/206,750	12/02/96	2,160,105	05/19/98	Installation of Process Piping and Control Systems for use in the Manufacturing Processes Biotech.	Registered
RING DESIGN	China			1227874	11/28/98	Installation of Process Piping and Control Systems for use in the Manufacturing Processes Biotech.	Registered
RING DESIGN	Mexico	296620		597345	03/13/99	Installation of Process Piping and Control Systems for use in the Manufacturing Processes Biotech.	Registered
KINETICS	USA	75/166,046	09/11/96	2,158,214	05/19/98	Installation of Process Piping and Control Systems for use in the Manufacturing Processes Biotech.	Registered
KINETICS	France	96/657,734	12/31/96	96/657,734	06/13/97	Installation of Process Piping and Control Systems for use in the Manufacturing Processes Biotech.	Registered

Mark	Country	Serial No.	Filing Date	Reg. No.	Reg. Date	Goods	Status
KINETICS	Mexico	289351	03/10/97	568478	01/28/98	Installation of Process Piping and Control Systems for use in the Manufacturing Processes Biotech.	Registered
BIO-KINETICS	USA	75/198,028	11/14/96	2,203,512	11/17/98	Installation of Process Systems and Process Equipment, Including Piping, Controls and Instruments	Registered
BUILDING SOLUTIONS	USA	75/176,412	10/03/96			Design, Installation and Quality Assurance of Process Systems and Process Equipment	Pending (currently suspended pending outcome of a prior-filed related mark by another party)
MEGA-KINETICS	USA	75/722,000	06/04/99			Manufacturing of Semi-Conductor Equipment	Pending
SURROUND THE TOOL	USA	75/694,685	04/29/99			Manufacture and Installation of Microelectronic and Biotechnology Processing Equipment	Pending
SURROUND THE TOOL FOR THE LIFE OF THE FAB	USA	75/873,182	12/16/99			Industrial and commercial plant construction services	Pending
KINETICS	Mexico	309100	09/29/97	509101	10/21/98		Registered

2. Pledgor: MEGA SYSTEMS & CHEMICALS

Mark	Country	Serial No.	Filing Date	Reg. No.	Reg. Date	Goods	Status
MEGA	USA	74/477,279	01/10/94	1,930,638	10/31/95		Registered
MEGA (and Design)	USA	74/488,834	02/10/94	1,987,856	07/23/96		Registered

3. Pledgor: UNIT INSTRUMENTS, INC.

Mark	Country	Serial No.	Filing Date	Reg. No.	Reg. Date	Goods	Status
MISCELLANEOUS DESIGN	USA	75/562,001	09/30/98	2,340,238	04/11/00	Modular Gas Delivery System and Components Thereof	Registered
MULTIFLO	USA	75/533,206	08/10/98			Device Used in Regulating the Delivery of Gases in Semi-Conductor Manufacturing, and Industrial and Medical Applications	Pending
Z-BLOC	USA	75/562,002	09/30/98	2,340,239	04/11/00	Modular Gas Delivery System and Components Thereof	Registered
Z	USA	75/562,001	09/30/98	2,340,238	04/11/00		Registered

4. Pledgor: FTS SYSTEMS, INC.

Mark	Country	Serial No.	Filing Date	Reg. No.	Reg. Date	Goods	Status
AIR-JET	USA	73/477,415	04/26/84	1,329,425	04/09/85		Registered
BIO-COOL	USA	73/477,416	04/26/84	1,320,557	02/19/85		Registered
FLEXI-COOL	USA	73/024,337	06/17/74	1,016,758	07/29/75		Registered
MAXI-COOL	USA	75/656,066	03/08/99				Pending
MULTI-COOL	USA	73/024,336	06/17/74	1,017,898	08/12/75		Registered
ULTRA-COOL	USA	75/656,067	03/08/99				Pending
FTS	USA	73/004,234	10/23/73	1,015,728	07/15/75		Registered
LYOSTAR*	USA	not issued yet	02/14/00				Pending
LYOMANAGER*	USA	75/917,947	02/14/00				Pending
QUANTUM*	USA	75/918,190	02/14/00				Pending
TURBO-JET	USA	74/116,542	11/19/90	1,713,407	09/08/92		Registered

* Application filed in name of FTS/Kinetics Corp. (assumed name). Filing for name change in progress.

5. Pledgor: INSYNC SYSTEMS, INC.

Mark	Country	Serial No.	Filing Date	Reg. No.	Reg. Date	Goods	Status
PULLBRITE	USA	74/733,600	09/25/95	1,993,594	08/13/96		Registered
PURECLEAN	CA			045313	11/27/95		Registered
INSYNC AND DESIGN	USA	75/552,384	07/22/94	1,952,486	01/30/96		Registered
PURECLEAN	USA	74/734,275	09/25/95	2,060,505	05/13/97		Registered
PULLBRITE	USA	74/733,600	09/25/95	1,993,594	08/13/96		Registered
INSYNC	EM	178897	04/01/96	178897	10/23/98		Registered
GASWARE	USA	75/003,123	10/10/95	2,146,638	03/24/00		Registered
GASWARE	China	96-0041946	04/01/96	1060070	07/21/97		Registered
GASWARE	Germany	39606965.7	02/14/96	39606965	05/28/97		Registered
GASWARE	Great Britain	2056177	02/09/96	2056177	02/09/96		Registered
GASWARE	Japan	37953/96	04/10/96	4129016	03/27/98		Registered
GASWARE	Korea	96-5714	02/15/96	407145	07/01/98		Registered
GASWARE	Malaysia	3627/96	04/09/96	96003627	04/09/96		Registered
GASWARE	Singapore	S/2326/96		TP96/02326E	10/10/95		Registered
VERSA PLANE	USA	75/253,968	03/06/97				Pending

6. Pledgor: THOMAS CONVEYOR COMPANY

Jurisdiction

Mark	Country	Serial No.	Filing Date	Reg. No.	Reg. Date	Goods	Status
THOMAS	USA	72/430,644	07/24/72	1,010,119	05/06/75		Renewed
TC AND DESIGN	USA	72/430,646	07/24/72	973,929	11/27/73		Renewed
TOTE*	USA	71/550,464	02/24/48	517,618	11/15/49		Registered
TOTE	Argentina	660415	07/16/64	538605	09/18/64		Registered
TOTE	Brazil	945971	12/23/70	007197322	08/10/80		Registered
TOTE	Canada	267047	01/16/62	148876	01/13/67		Registered
TOTE	Mexico	43923	09/25/70	161900	09/25/70		Registered
TOTE SYSTEMS*	USA	72/307,609	09/18/68	882,345	12/16/69		Registered
TOTE SYSTEMS	Canada	311369	02/28/68	161018	02/07/69		Expunged

* Right of first refusal granted to Hoover Universal, Inc. on 3/22/88.

7. Pledgor: PROCOMP, INC.

Mark	Country	Serial No.	Filing Date	Reg. No.	Reg. Date	Goods	Status
PROCOMP	USA	75/129,471	07/03/96	2,055,490	04/22/97		Registered

8. Pledgor: KINETICS FLUID SYSTEMS, INC.

Mark	Country	Serial No.	Filing Date	Reg. No.	Reg. Date	Goods	Status
X-50*	USA	75/034,069	12/18/95	2,168,804	06/30/98		Registered
FABWARE	USA	75/777,050	08/16/99				Pending

* Registered in name of KSE-CA, Inc. dba X-50 Sales & Manufacturing Corp. Filing for name change in progress.

9. Pledgor: KINETIC SYSTEMS, INC.

Mark	Country	Serial No.	Filing Date	Reg. No.	Reg. Date	Goods	Status
KSI	USA	74/173,029	06/04/91	1,773,312	05/25/93		Registered

Financing Statements and Other Necessary Filings

I. UCC Filings

<u>Name of Entity</u>	<u>Jurisdiction</u>
BioKinetics, Inc.	Secretary of State, Illinois Secretary of State, North Carolina Durham County, North Carolina Secretary of State, California Secretary of State, Massachusetts Marlborough Town Clerk Secretary of State, Pennsylvania Prothonotary of Philadelphia County, Pennsylvania Prothonotary of Berks County, Pennsylvania
Clean Room Technology, Inc.	Secretary of State, Illinois Secretary of State, California Secretary of State, Virginia Henrico County, Virginia
E-Flow, Inc.	Secretary of State, Illinois Secretary of State, California
FTS Systems, Inc.	Secretary of State, Illinois Secretary of State, California Secretary of State, New York Ulster County, New York
Fullman International, Inc.	Secretary of State, Illinois Secretary of State, California Secretary of State, Oregon

<u>Name of Entity</u>	<u>Jurisdiction</u>
Fullman Company, LLC	Secretary of State, Illinois Secretary of State, California Secretary of State, Oregon
Fullman Service Co., LLC	Secretary of State, Illinois Secretary of State, California Secretary of State, Oregon
G.W. Taylor Tank Co.	Secretary of State, Illinois Secretary of State, California Secretary of State, Texas
Hi-Tech Tool Rental, Inc.	Secretary of State, Illinois Secretary of State, California
Insync Systems, Inc.	Secretary of State, Illinois Secretary of State, California
J.B. Rodgers Performance Contracting, Inc.	Secretary of State, Illinois Secretary of State, California Secretary of State, Arizona
J.B. Rodgers Mechanical Contractors, Inc.	Secretary of State, Illinois Secretary of State, California Secretary of State, Arizona
Kinetics Holdings Corporation	Secretary of State, Illinois Secretary of State, California
Kinetics Electronics Management, Inc.	Secretary of State, Illinois Secretary of State, California

<u>Name of Entity</u>	<u>Jurisdiction</u>
Kinetics Fluid Systems, Inc.	Secretary of State, Illinois Secretary of State, California Secretary of State, Arizona Secretary of State, Texas Secretary of State, Virginia Henrico County, Virginia
Kinetics Management Group, Inc.	Secretary of State, Illinois Secretary of State, California
Kinetics Mechanical, Inc.	Secretary of State, Illinois Secretary of State, California
Kinetics Quality Control, Inc. (f/k/a Quality Assurance Management, Inc.; d/b/a QAM, Inc.)	Secretary of State, Illinois Secretary of State, California Secretary of State, Texas
Kinetic Systems, Inc.	Secretary of State, Illinois Secretary of State, California Secretary of State, Colorado Secretary of State, Florida Secretary of State, Massachusetts Marlborough Town Clerk Secretary of State, Texas
Kinetic Systems Caribe, Inc.	Secretary of State, Illinois Secretary of State, California Secretary of State, Puerto Rico

<u>Name of Entity</u>	<u>Jurisdiction</u>
Kinetic Systems International, Inc.	Secretary of State, Illinois Secretary of State, California
MEGA Systems & Chemicals, Inc.	Secretary of State, Illinois Secretary of State, California Secretary of State, Arizona
MicroKinetics, Inc.	Secretary of State, Illinois Secretary of State, California Secretary of State, Texas
Orion Holdings, LLC	Secretary of State, Illinois Secretary of State, California Secretary of State, Oregon
PCI Investments, Inc.	Secretary of State, Illinois Secretary of State, California Secretary of State, Arizona
ProComp, Inc.	Secretary of State, Illinois Secretary of State, California Secretary of State, New Jersey
RWH Holding Corp.	Secretary of State, Illinois Secretary of State, California Secretary of State, Texas
Kinetics Group, Inc.	Secretary of State, Illinois Secretary of State, California

<u>Name of Entity</u>	<u>Jurisdiction</u>
Thomas Conveyor Company (d/b/a Tote Containers and Systems, Inc.)	Secretary of State, Illinois Secretary of State, California Secretary of State, Texas
Unit Instruments, Inc.	Secretary of State, Illinois Secretary of State, California
West Coast Holdings, Inc.	Secretary of State, Illinois Secretary of State, California

II. Intellectual Property Filings

With respect to all registered Intellectual Property Collateral and applications for registration thereof, evidence of the security interest granted by each Pledgor to the Collateral Agent pursuant to this Agreement, shall be filed, as appropriate, with the United States Patent and Trademark Office and the United States Copyright Office.

III. Other Filings

None.

Locations of Pledgors

Pledgor	Chief Executive Office	Tax ID Number	Other Locations
Kinetics Holdings Corporation	2805 Mission College Blvd. Santa Clara, CA 95054	94-3372329	
Kinetics Group, Inc.	2805 Mission College Blvd. Santa Clara, CA 95054	94-3372328	
BioKinetics, Inc.	Seven Penn Center, Suite 1500 Philadelphia, PA 19103	23-2856907	4226 Surles Ct., Suite 500 Durham, NC 27703 1335 Stanford Avenue, Suite 400 Emeryville, CA 94608 Dawson Industrial Park, 50 Brigham St. Marlborough, MA 01752 5 Boyerton Industrial Park, 2 nd Floor New Berlinville, PA 19545
Clean Room Technology, Inc.	5659 South Laburnum Avenue Richmond, VA 23231	11-3275146	
E-Flow, Inc.	1215 Bordeaux Drive Sunnyvale, CA 94089-1203	77-0107753	
FTS Systems, Inc.	3538 Main Street, P.O. Box 158 Stoneridge, NY, 12484	14-1538473	
Fullman Company, LLC	26055 S.W. Canyon Creek Road Wilsonville, OR 97070	91-1749039	
Fullman International, Inc.	26055 S.W. Canyon Creek Road Wilsonville, OR 97070	93-1116841	
Fullman Service Co.,	26055 S.W. Canyon Creek Road	91-17490309	

Pledgor	Chief Executive Office	Tax ID Number	Other Locations
LLC	Wilsonville, OR 97070		
G.W. Taylor Tank Co.	651 North Burleson Blvd. Burleson, TX 76028	75-2487264	
Hi-Tech Tool Rental, Inc.	2805 Mission College Blvd. Santa Clara, CA 95054	77-0210375	
Insync Systems, Inc.	1463 Centre Pointe Drive Milpitas, CA 95035	77-0227489	
J.B. Rodgers Mechanical Contractors, Inc.	1667 North Priest Drive Tempe, AZ 85281	86-0084329	
J.B. Rodgers Performance Contracting, Inc.	13951 North Scottsdale Road #215 Scottsdale, AZ 85254	86-0842734	
Kinetic Systems Caribe, Inc.	Calle 3, Building 19 Vega Alta, Puerto Rico 00692	77-0408826	

ENCLOSURE

Pledgor	Chief Executive Office	Tax ID Number	Other Locations
Kinetic Systems International, Inc.	2805 Mission College Blvd. Santa Clara, CA 95054	77-0423994	
Kinetic Systems, Inc.	2805 Mission College Blvd. Santa Clara, CA 95054	94-2229569	6623 Highway 290 East, Suite 104 Austin, TX 78723 1013 Pardee St., Suite 102 Berkeley, CA 94710 5607 Palmer Way Carlsbad, CA 92008 2506 Zeppelin Rd. Colorado Springs, CO 80916 7 Marconi Drive Irvine, CA 92618 50 Brigham St. Marlboro, MA 01752 6220 South Orange Blossom Trail, Suite 507 Orlando, FL 32809 1960 West Northwest Highway Dallas, TX 75220

Pledgor	Chief Executive Office	Tax ID Number	Other Locations
Kinetics Electronics Management, Inc.	2805 Mission College Blvd. Santa Clara, CA 95054	77-0423996	
Kinetics Fluid Systems, Inc.	1463 Centre Point Drive Milpitas, CA 95035	77-0422767	5751 W. Oakland St. Chandler, AZ 85226 200-C Parker Dr., Suite 600 Austin, TX 78728 1400 S. Sherman, Suite 212 Richardson, TX 75081-6514 2251-A Dabney Rd. Richmond, VA 23230
Kinetics Management Group, Inc.	2805 Mission College Blvd. Santa Clara, CA 95054	77-0468824	
Kinetics Mechanical, Inc.	9 Marconi Drive Irvine, CA 92618	77-0471134	
Kinetics Quality Control, Inc. (f/k/a Quality Assurance Management, Inc.; d/b/a QAM, Inc.)	1601 Wallace Drive, Suite 102 Carrollton, TX 75006	77-0383797	
MEGA Systems & Chemicals, Inc.	1320 West Auto Drive Tempe, AZ 85284	34-1532392	
MicroKinetics, Inc.	3755 S. Capital of Texas Highway, #100 Austin, TX 78704	77-0285377	

Pledgor	Chief Executive Office	Tax ID Number	Other Locations
Orion Holdings, LLC	26055 S.W. Canyon Creek Road Wilsonville, OR 97070	91-1841054	
PCI Investments, Inc.	1667 North Priest Drive Tempe, AZ 85281	86-0754207	
ProComp, Inc.	33 Research Center, 600 Park Avenue Manalapan, NJ 07726	77-0440926	
RWH Holding Corp.	651 North Burleson Blvd. Burleson, TX 76028	75-248271	
Thomas Conveyor Company (d/b/a Tote Containers and Systems, Inc.)	651 North Burleson Blvd. Burleson, TX 76028	75-2487264	
Unit Instruments, Inc.	22600 Savi Ranch Parkway Yorba Linda, CA 92887	33-0077406	
West Coast Holdings, Inc.	2805 Mission College Blvd. Santa Clara, CA 95054	77-0471135	

Prior Corporate Names

Kinetics Group, Inc. (f/k/a The Kinetics Group, Inc; f/k/a/ KSI Group, Inc.)
Kinetics Electronics Management, Inc. (f/k/a Kinetics Products, Inc.)
Kinetics Fluid Systems, Inc. (f/k/a Submicron Products, Inc.)
BioKinetics, Inc. (f/k/a Bio-Kinetics, Inc.)
Kinetics PGS Sdn. Bhd. (f/k/a KSI Mechanical (Malaysia) Sdn. Bhd.)
Kinetics Quality Control, Inc. (f/k/a Quality Assurance Management, Inc.)
MicroKinetics, Inc. (f/k/a KSI Services, Inc.)
ProComp, Inc. (f/k/a Process Components, Inc.)
Thomas Conveyor Company (f/k/a T.C. Operating Co., Inc.)

Violations or Proceedings

- i. Potentially interfering trademark
 - 1. Use of mark INSYNC by European Telecom PLC, in relation to Insync Systems, Inc.'s mark INSYNC.
- ii. Potential infringements of trademarks
 - 1. Use of the mark TOTE by Tote Bin Specialties in relation to Thomas Conveyor Company's mark TOTE.
 - 2. Use of the mark TOTE by Akro-Mils, Inc. in relation to Thomas Conveyor Company's mark TOTE
 - 3. Use of the mark AROUND THE PROCESS TOOL by MKS Instruments in relation to Kinetics' mark SURROUND THE TOOL

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 August 30, 2000, among Kinetics Group, Inc. (the "Borrower"), Holdings, the Subsidiary Guarantors from time to time party thereto, Bank One, N.A., as Collateral Agent (in such capacity and together with any successors in such capacity, the "Collateral Agent"), and the Lenders, (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 by the Collateral Agent or its nominee.

[NAME OF ISSUER]

By: _____
Name:
Title:

EXHIBIT 2

SECURITY AGREEMENT AMENDMENT

This Security Pledge Amendment, 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 August 30, 2000, among the undersigned, the Borrower, Holdings, the Subsidiary Guarantors from time to time party thereto, Bank One, N.A., as Collateral Agent (in such capacity and together with any successors in such capacity, the "Collateral Agent"), and the Lenders. 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>
---------------	---------------------------	----------------------	-------------------------------	---------------------------------	---

INTERCOMPANY NOTES

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

EXHIBIT 3

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

[Date]

[Name and Address
of Collateral Agent]

Ladies and Gentlemen:

Reference is made to that certain security agreement (as amended, amended and re-stated, 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 August 30, 2000, among Kinetics Group, Inc. (the "Borrower"), Holdings, each of the Subsidiary Guarantors listed on the signature pages thereto or from time to time party thereto by execution of a joinder agreement, Bank One, N.A., as Collateral Agent (in such capacity and together with any successors in such capacity the "Collateral Agent"), and the Lenders.

This letter supplements the Security Agreement and is delivered by the undersigned, _____ (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:

BANK ONE, N.A.,
as Collateral Agent

By: _____
Name:
Title:

[Schedules to be attached]

CONTROL AND CONSENT ACKNOWLEDGMENT AND AGREEMENT CONCERNING DESIGNATED ACCOUNTS *

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 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 August 30, 2000, among Kinetics Group, Inc. as borrower, Pledgor, Holdings, the Subsidiary Guarantors from time to time party thereto, Bank One, N.A., as Collateral Agent (in such capacity and together with any successors in such capacity, the "Collateral Agent"), and the Lenders. Pursuant to the Security Agreement, the Pledgor has granted to the Collateral Agent a security interest in Investment Collateral and other Pledged Collateral described therein and the 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.

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 Agreement, 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 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 Agreement means both the Designated Accounts hereunder and the "Designated Accounts" in the comparable agreement entered into with respect to any other Pledgor.

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

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 jurisdiction (within the meaning of Section 8-110 of the UCC) 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 which conflict with the terms hereof. 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. Nothing in this Section 6 shall limit the ability of a Pledgor to originate any "entitlement order" (within the meaning of Section 8-102(a)(8) of the UCC) relating to any Investment Collateral, other Pledged Collateral or any Designated Account, or the obligation of the Securities Intermediary to comply with such entitlement order.

Section 7. Certain Agreements. (i) The Securities Intermediary acknowledges receipt of a copy of the 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 account statement for each Designated Account, in addition to listing assets held in such Designated Account, also lists (and distinguishes from assets held in such Designated Account) assets shown as not held in such Designated Account but held elsewhere as collateral for future transactions. 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 the 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:

(i) 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. 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. Without limiting the obligations of the Securities Intermediary under Section 3 or this Section 9(i), the Collateral Agent hereby covenants to the Pledgor and agrees that the Collateral Agent shall not deliver a Notice of Sole Control to the Securities Intermediary unless an Event of Default has occurred and is continuing.

(ii) 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.

(iii) 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 the 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.

(iv) 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.

(v) 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, subject to Section 9(iii), 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 Pledgor and 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 the Security Agreement as notice to the Securities Intermediary regarding notice of a security interest in collateral held by a bailee.

(vi) 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 the 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.

(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 other than the Pledgor 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 (other than a successor and assign of Pledgor) pursuant to which it agrees to comply with entitlement or-

ders 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 (which shall not be unreasonably withheld), enter into any agreement with any Person (other than a successor and assign of Pledgor) 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.

Grantor: [Pledgor's Address]
Attn:

Agent: [Collateral's Address]
Attn:

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 Collateral Agent with respect to the Investment Collateral and other Pledged Collateral have been terminated pursuant to the terms of the Security Agreement and an authorized representative of the Collateral Agent has notified the Securities Intermediary of such termination in writing.

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:

BANK ONE, N.A.,
as Collateral Agent

By: _____
Name:
Title:

[SECURITIES INTERMEDIARY],
as Securities Intermediary

By: _____
Name:
Title:

ANNEX A

[Letterhead of Agent]

[Date]

[Securities Intermediary]

[Address]

Attention:

Re: Notice of Sole Control

Ladies and Gentlemen:

As referenced in Section 9(vi) 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,

BANK ONE, N.A.,
as Collateral Agent

By: _____
Name:
Title:

cc: [Pledgor]

ANNEX B

This is Annex 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], Bank One, N.A., 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".

LOCKBOX AGREEMENT

LOCKBOX AGREEMENT (the "Agreement"), dated as of [_____, __] by and among [_____,], a [_____,], ("Pledgor"), [_____,], as pledgee, assignee and secured party, in its capacity as agent (in such capacities, "Collateral Agent") for the financial institutions (the "Lenders") from time to time party to the Credit Agreement (as hereinafter defined), and [_____,] (the "Bank").

RECITALS:

A. Pursuant to that certain credit agreement, dated as of August 30, 2000 (as amended, amended and restated, supplemented or otherwise modified from time to time, the "Credit Agreement"; capitalized terms used and not otherwise defined herein shall have the meanings assigned to such terms in the Credit Agreement), by and among [Pledgor (the "Company")]*, the Borrower, Holdings, the other Subsidiary Guarantors, the Lenders, 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. In connection with the Credit Agreement, [Pledgor or the Company]* and each of the other Credit Parties[, including Pledgor,]* * has granted to Collateral Agent, for its benefit and the benefit of the Lenders, 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 until no Event of Default (as defined in the Credit Agreement) exists, all collections and proceeds of such Accounts shall be remitted in kind to Collateral Agent.

C. Pledgor has agreed until no Event of Default exists, 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.

* 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.

** 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.

D. Pledgor has agreed until no Event of Default exists, to deposit in an account at the Bank all collections and proceeds of the Accounts (subject to the provisions of the Credit Documents) received in United States currency.

E. 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:

Section 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.

Section 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. On written demand of Collateral Agent, 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. The Bank shall not inquire into Collateral Agent's right to make such a demand under any agreement among Collateral Agent, Lenders 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.

Section 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 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.

Section 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.: [Credit Party]

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 Borrower with the notation "No Deposit" appearing thereon.

Section 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.

Section 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.

Section 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.

Section 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.

Section 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.

Section 10. Bank Liability. In acting under this Agreement, the Bank shall not be liable to any 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.

Section 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 and shall terminate this Agreement as required under the Security Agreement, including without limitation, when no Event of Default exists, 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.

Section 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.

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

Section 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 Collat-

eral Agent shall be sent to the following address or transmitted to the following facsimile number, and, where applicable, given at the following phone number:

[Collateral Agent]
[]
[]
Attention: []
Telephone: []
Facsimile: []

(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:

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

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

Section 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 gross negligence or willful misconduct.

Section 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 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.

Section 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.

Section 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 BORROWER AT ITS ADDRESS SET FORTH IN THE CREDIT AGREEMENT 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.

Section 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.

Section 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.

Section 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.

Section 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:

BANK ONE, N.A.,
as Collateral Agent

By: _____
Name:
Title:

[_____] ,
as Bank

By: _____
Name:
Title: