

Form PTO-1595
(rev 3/1)

**RECORDATION FORM COVER SHEET
PATENTS ONLY**

U. S. Department of Commerce
Patent and Trademark Office

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

1. Name of conveying party(ies):
Amscan Holdings, Inc.

☐ Individual(s) ☐ Association
☐ General Partnership ☐ Limited Partnership
☒ Corporation **Delaware**
☐ Other

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

3. Nature of conveyance:

☐ Assignment ☐ Merger
☐ Security Agreement ☐ Change of Name
☒ Other: **Second Amended and Restated Pledge and Security Agreement**

Execution Date: **December 20, 2002**

2. Name and Address of receiving party(ies)

**General Electric Capital Corporation
335 Madison Avenue
12th Floor
New York, New York 10017**

☐ Individual(s) citizenship
☐ Association
☐ General Partnership
☐ Limited Partnership
☐ Corporation - **New York**
☐ Other

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

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

A. Patent Application No(s).

B. Patent No(s).

D339268

Additional numbers attached? ☐ Yes ☒ No

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

**James Talbot, Esq.
SKADDEN, ARPS, SLATE, MEAGHER
& FLOM LLP
Four Times Square
New York, New York 10036**

6. Total number of applications/patents involved: **1**

7. Total fee (37 CFR 3.41) **\$40**

☒ All fees and any deficiencies are authorized to be charged to Deposit Account
(Our Ref. 244130/795)

8. Deposit Account No. **19-2385**

DO NOT USE THIS SPACE

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.

James Talbot

Name

Signature

January 31, 2003

Date

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

**SECOND AMENDED AND RESTATED
PLEDGE AND SECURITY AGREEMENT**

dated as of December 20, 2002

between

EACH OF THE GRANTORS PARTY HERETO

and

GENERAL ELECTRIC CAPITAL CORPORATION

as the Collateral Agent

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EXHIBIT C — SECURITIES ACCOUNT CONTROL AGREEMENT

EXHIBIT D — DEPOSIT ACCOUNT CONTROL AGREEMENT

This **SECOND AMENDED AND RESTATED PLEDGE AND SECURITY AGREEMENT**, dated as of December 20, 2002 (this "**Agreement**"), between **EACH OF THE UNDERSIGNED**, whether as an original signatory hereto or as an Additional Grantor (as herein defined) (each, a "**Grantor**"), and **GENERAL ELECTRIC CAPITAL CORPORATION**, as collateral agent for the Secured Parties (as herein defined) (in such capacity as collateral agent, the "**Collateral Agent**").

RECITALS:

WHEREAS, reference is made to (i) that certain Amended and Restated Revolving Credit Agreement dated as of September 17, 1998, as amended (the "**Existing Revolving Credit Agreement**") among Company, the Guarantors, GSCP as arranger and as syndication agent, the revolving lenders party thereto and Fleet National Bank as administrative agent; and (ii) that certain Amended and Restated AXEL Credit Agreement dated as of September 17, 1998 as amended (the "**Existing AXEL Credit Agreement**" and together with the Existing Revolving Credit Agreement, the "**Existing Credit Agreements**") among Company, the Guarantors, GSCP as arranger and as syndication agent, the AXEL lenders party thereto and Fleet National Bank as administrative agent;

WHEREAS, in conjunction with the Existing Credit Agreements (a) (i) the Company Pledge Agreement, dated December 19, 1997 was entered into between Company and Fleet National Bank, as collateral agent (the "**Existing Company Pledge Agreement**"), and (ii) the Company Security Agreement dated December 19, 1997 was entered into between Company and Fleet National Bank, as collateral agent (the "**Existing Company Security Agreement**") pursuant to which the Company secured the payment or performance in full when due of all obligations described therein, and (b) (i) each of the Subsidiary Pledge Agreements dated December 19, 1997, September 17, 1998 and March 20, 2002 (the "**Existing Subsidiary Pledge Agreements**") was entered into between Guarantors and Fleet National Bank, as collateral agent, (ii) each of the Subsidiary Security Agreements dated December 19, 1997, September 17, 1998 and March 20, 2002 (the "**Existing Subsidiary Security Agreements**") entered into between Guarantors and Fleet National Bank, as collateral agent and (iii) each of the Subsidiary Patent and Trademark Security Agreements dated December 19, 1997, September 17, 1998 and March 20, 2002 (the "**Existing Subsidiary Patent and Trademark Security Agreement**" and together with the Existing Company Pledge Agreement, the Existing Company Security Agreement, the Existing Subsidiary Pledge Agreements and the Existing Subsidiary Security Agreements, the "**Existing Pledge and Security Agreements**") pursuant to which the Grantors secured the payment or performance in full when due of all obligations described therein;

WHEREAS, the Credit Parties, Lenders and Agents are entering into that certain Second Amended and Restated Credit and Guaranty Agreement, dated as of the date hereof (as it may be amended restated, supplemented or otherwise modified, the "**Credit Agreement**") in order to provide for certain amendments to the Existing Credit Agreements;

WHEREAS, in conjunction with the Credit Agreement, the parties to the Existing Pledge and Security Agreements (including the Company) intend to amend and restate the Existing Pledge and Security Agreements and to confirm the grant of the security interest in favor of the Collateral Agent under the Existing Pledge and Security Agreements to secure the payment and performance when due of all Secured Obligations;

WHEREAS, subject to the terms and conditions of the Credit Agreement, certain Grantors may enter into one or more Hedge Agreements (as herein defined) with one or more Lender Counterparties;

WHEREAS, in consideration of the extensions of credit and other accommodations of Lenders and Lender Counterparties as set forth in the Credit Agreement and the Hedge Agreements, respectively, each Grantor has agreed to secure such Grantor's obligations under the Credit Documents and the Hedge Agreements as set forth herein; and

NOW, THEREFORE, in consideration of the premises and the agreements, provisions and covenants herein contained, each Grantor and the Collateral Agent agree as follows:

SECTION 1. DEFINITIONS; GRANT OF SECURITY.

1.1 General Definitions. In this Agreement, the following terms shall have the following meanings:

"Account Debtor" shall mean each Person who is obligated on a Receivable or any Supporting Obligation related thereto.

"Accounts" shall mean all "accounts" as defined in Article 9 of the UCC.

"Agreement" shall have the meaning set forth in the preamble.

"Additional Grantors" shall have the meaning assigned in Section 4.3.

"Bankruptcy Code" shall mean Title 11 of the United States Code entitled "Bankruptcy", as now and hereafter in effect, or any successor statute.

"Cash Proceeds" shall have the meaning assigned in Section 6.4.

"Chattel Paper" shall mean all "chattel paper" as defined in Article 9 of the UCC, including, without limitation, "electronic chattel paper" or "tangible chattel paper", as each term is defined in Article 9 of the UCC.

"Collateral" shall have the meaning assigned in Section 2.1.

"Collateral Agent" shall have the meaning set forth in the preamble.

"Collateral Records" shall mean books, records, ledger cards, files, correspondence, customer lists, blueprints, technical specifications, manuals, computer software, computer printouts, tapes, disks and related data processing software and similar items that at any time evidence or contain information relating to any of the Collateral or are otherwise necessary or helpful in the collection thereof or realization thereupon.

"Collateral Support" shall mean all property (real or personal) assigned, hypothecated or otherwise securing any Collateral and shall include any security agreement or other agreement granting a lien or security interest in such real or personal property.

"Commercial Tort Claims" shall mean all "commercial tort claims" as defined in Article 9 of the UCC, including, without limitation, all commercial tort claims listed on Schedule 4.8 (as such schedule may be amended or supplemented from time to time).

"Commodities Accounts" (i) shall mean all "commodity accounts" as defined in Article 9 of the UCC asserted by any Grantor and (ii) shall include, without limitation, all of the accounts listed on Schedule 4.4 under the heading **"Commodities Accounts"** (as such schedule may be amended or supplemented from time to time).

"Controlled Foreign Corporation" shall mean "controlled foreign corporation" as defined in the Tax Code.

"Copyright Licenses" shall mean any and all agreements providing for the granting of any right in or to Copyrights (whether such Grantor is licensee or licensor thereunder) including, without limitation, each agreement referred to in Schedule 4.7(B) (as such schedule may be amended or supplemented from time to time).

"Copyrights" shall mean all United States, and foreign copyrights (including Community designs), including but not limited to copyrights in software and databases, and all Mask Works (as defined under 17 U.S.C. 901 of the U.S. Copyright Act), whether registered or not registered, and, with respect to any and all of the foregoing: (i) all registrations and applications therefor including, without limitation, registrations and applications referred to in Schedule 4.7(A) (as such schedule may be amended or supplemented from time to time), (ii) all extensions and renewals thereof, (iii) all rights corresponding thereto throughout the world, (iv) all rights to sue for past, present and future infringements thereof, and (v) all Proceeds of the foregoing, including, without limitation, licenses, royalties, income, payments, claims, damages and proceeds of suit.

"Credit Agreement" shall have the meaning set forth in the recitals.

"De Minimis Deposit Accounts" shall have the meaning set forth in Section 4.1 (a)(vii).

"Documents" shall mean all "documents" as defined in Article 9 of the UCC.

"Deposit Accounts" (i) shall mean all "deposit accounts" as defined in Article 9 of the UCC and (ii) shall include, without limitation, all of the accounts listed on Schedule 4.4 under the heading "Deposit Accounts" (as such schedule may be amended or supplemented from time to time).

"Equipment" shall mean: (i) all "equipment" as defined in Article 9 of the UCC, (ii) all machinery, manufacturing equipment, data processing equipment, computers, office equipment, furnishings, furniture, appliances, fixtures and tools (in each case, regardless of whether characterized as equipment under the UCC) and (iii) all accessions or additions thereto, all parts thereof, whether or not at any time of determination incorporated or installed therein or attached thereto, and all replacements therefor, wherever located, now or hereafter existing, including any fixtures.

"General Intangibles" (i) shall mean all "general intangibles" as defined in Article 9 of the UCC, including "payment intangibles" also as defined in Article 9 of the UCC

and (ii) shall include, without limitation, all interest rate or currency protection or hedging arrangements, all tax refunds, all licenses, permits, concessions and authorizations, all Assigned Agreements and all Intellectual Property (in each case, regardless of whether characterized as general intangibles under the UCC).

"Goods" (i) shall mean all "goods" as defined in Article 9 of the UCC and (ii) shall include, without limitation, all Inventory and Equipment (in each case, regardless of whether characterized as goods under the UCC).

"Grantors" shall have the meaning set forth in the preamble.

"Indemnatee" shall mean the Collateral Agent, and its and its Affiliates' officers, partners, directors, trustees, employees, agents.

"Instruments" shall mean all "instruments" as defined in Article 9 of the UCC.

"Insurance" shall mean: (i) all insurance policies covering any or all of the Collateral (regardless of whether the Collateral Agent is the loss payee thereof) and (ii) any key man life insurance policies.

"Intellectual Property" shall mean, collectively, the Copyrights, the Copyright Licenses, the Patents, the Patent Licenses, the Trademarks, the Trademark Licenses, the Trade Secrets, and the Trade Secret Licenses.

"Inventory" shall mean: (i) all "inventory" as defined in Article 9 of the UCC and (ii) all goods held for sale or lease or to be furnished under contracts of service or so leased or furnished, all raw materials, work in process, finished goods, and materials used or consumed in the manufacture, packing, shipping, advertising, selling, leasing, furnishing or production of such inventory or otherwise used or consumed in any Grantor's business; all goods in which any Grantor has an interest in mass or a joint or other interest or right of any kind; and all goods which are returned to or repossessed by any Grantor, all computer programs embedded in any goods and all accessions thereto and products thereof (in each case, regardless of whether characterized as inventory under the UCC).

"Investment Accounts" shall mean the Collateral Account, Securities Accounts, Commodities Accounts and Deposit Accounts.

"Investment Related Property" shall mean: (i) all "investment property" (as such term is defined in Article 9 of the UCC) and (ii) all of the following (regardless of whether classified as investment property under the UCC): all Pledged Equity Interests, Pledged Debt, the Investment Accounts and certificates of deposit.

"Lender" shall have the meaning set forth in the recitals.

"Letter of Credit Right" shall mean "letter-of-credit right" as defined in Article 9 of the UCC.

"Lien" shall mean (i) any lien, mortgage, pledge, assignment, security interest, charge or encumbrance of any kind (including any agreement to give any of the foregoing, any conditional sale or other title retention agreement, and any lease in the nature thereof) and any

option, trust or other preferential arrangement having the practical effect of any of the foregoing and (ii) in the case of Pledged Equity Interests, any purchase option, call or similar right of a third party with respect to such Pledged Equity Interests.

"Material Receivables" shall have the meaning set forth in Section 4.3(b)(iv).

"Money" shall mean "money" as defined in the UCC.

"Non-Assignable Contract" shall mean any agreement, contract or license to which any the Grantor is a party that by its terms purport to restrict or prevent the assignment or granting of a security interest therein (either by its terms or by any federal or state statutory prohibition or otherwise irrespective of whether such prohibition or restriction is enforceable under Section 9-406 through 409 of the UCC).

"Patent Licenses" shall mean all agreements providing for the granting of any right in or to Patents (whether such Grantor is licensee or licensor thereunder) including, without limitation, each agreement referred to in Schedule 4.7(D) (as such schedule may be amended or supplemented from time to time).

"Patents" shall mean all United States and foreign patents and certificates of invention, or similar industrial property rights, and applications for any of the foregoing, including, but not limited to: (i) each patent and patent application referred to in Schedule 4.7(C) hereto (as such schedule may be amended or supplemented from time to time), (ii) all reissues, divisions, continuations, continuations-in-part, extensions, renewals, and reexaminations thereof, (ii) all rights corresponding thereto throughout the world, (ii) all inventions and improvements described therein, (iv) all rights to sue for past, present and future infringements thereof, (v) all licenses, claims, damages, and proceeds of suit arising therefrom, and (v) all Proceeds of the foregoing, including, without limitation, licenses, royalties, income, payments, claims, damages, and proceeds of suit.

"Permitted Sale" shall mean those sales, transfers or assignments permitted by the Credit Agreement.

"Pledged Debt" shall mean all Indebtedness owed to such Grantor, including, without limitation, all Indebtedness described on Schedule 4.4(A) under the heading "Pledged Debt" (as such schedule may be amended or supplemented from time to time), issued by the obligors named therein, the instruments evidencing such Indebtedness, and all interest, cash, instruments and other property or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such Indebtedness.

"Pledged Equity Interests" shall mean all Pledged Stock, Pledged LLC Interests, Pledged Partnership Interests and Pledged Trust Interests.

"Pledged LLC Interests" shall mean all interests in any limited liability company including, without limitation, all limited liability company interests listed on Schedule 4.4(A) under the heading "Pledged LLC Interests" (as such schedule may be amended or supplemented from time to time) and the certificates, if any, representing such limited liability company interests and any interest of such Grantor on the books and records of such limited liability company or on the books and records of any securities intermediary pertaining to such interest and all dividends, distributions, cash, warrants, rights, options, instruments, securities and

other property or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such limited liability company interests.

"Pledged Partnership Interests" shall mean all interests in any general partnership, limited partnership, limited liability partnership or other partnership including, without limitation, all partnership interests listed on Schedule 4.4(A) under the heading "Pledged Partnership Interests" (as such schedule may be amended or supplemented from time to time) and the certificates, if any, representing such partnership interests and any interest of such Grantor on the books and records of such partnership or on the books and records of any securities intermediary pertaining to such interest and all dividends, distributions, cash, warrants, rights, options, instruments, securities and other property or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such partnership interests.

"Pledged Stock" shall mean all shares of capital stock owned by such Grantor, including, without limitation, all shares of capital stock described on Schedule 4.4(A) under the heading "Pledged Stock" (as such schedule may be amended or supplemented from time to time), and the certificates, if any, representing such shares and any interest of such Grantor in the entries on the books of the issuer of such shares or on the books of any securities intermediary pertaining to such shares, and all dividends, distributions, cash, warrants, rights, options, instruments, securities and other property or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such shares.

"Pledged Trust Interests" shall mean all interests in a Delaware business trust or other trust including, without limitation, all trust interests listed on Schedule 4.4(A) under the heading "Pledged Trust Interests" (as such schedule may be amended or supplemented from time to time) and the certificates, if any, representing such trust interests and any interest of such Grantor on the books and records of such trust or on the books and records of any securities intermediary pertaining to such interest and all dividends, distributions, cash, warrants, rights, options, instruments, securities and other property or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such trust interests.

"Pledge Supplement" shall mean any supplement to this agreement in substantially the form of Exhibit A.

"Proceeds" shall mean: (i) all "proceeds" as defined in Article 9 of the UCC, (ii) payments or distributions made with respect to any Investment Related Property and (iii) whatever is receivable or received when Collateral or proceeds are sold, exchanged, collected or otherwise disposed of, whether such disposition is voluntary or involuntary.

"Receivables" shall mean all rights to payment, whether or not earned by performance, for goods or other property sold, leased, licensed, assigned or otherwise disposed of, or services rendered or to be rendered, including, without limitation all such rights constituting or evidenced by any Account, Chattel Paper, Instrument, General Intangible or Investment Related Property, together with all of Grantor's rights, if any, in any goods or other property giving rise to such right to payment and all Collateral Support and Supporting Obligations related thereto and all Receivables Records.

"Receivables Records" shall mean (i) all original copies of all documents, instruments or other writings or electronic records or other Records evidencing the Receivables, (ii) all books, correspondence, credit or other files, Records, ledger sheets or cards, invoices, and other papers relating to Receivables, including, without limitation, all tapes, cards, computer tapes, computer discs, computer runs, record keeping systems and other papers and documents relating to the Receivables, whether in the possession or under the control of Grantor or any computer bureau or agent from time to time acting for Grantor or otherwise, (iii) all evidences of the filing of financing statements and the registration of other instruments in connection therewith, and amendments, supplements or other modifications thereto, notices to other creditors or secured parties, and certificates, acknowledgments, or other writings, including, without limitation, lien search reports, from filing or other registration officers, (iv) all credit information, reports and memoranda relating thereto and (v) all other written or nonwritten forms of information related in any way to the foregoing or any Receivable.

"Record" shall have the meaning specified in Article 9 of the UCC.

"Secured Obligations" shall have the meaning assigned in Section 2.1.

"Secured Parties" means the Lenders and the Lender Counterparties and shall include, without limitation, all former Lenders and Lender Counterparties to the extent that any Obligations owing to such Persons were incurred while such Persons were Lenders or Lender Counterparties and such Obligations have not been paid or satisfied in full.

"Securities" shall mean any stock, shares, partnership interests, voting trust certificates, certificates of interest or participation in any profit-sharing agreement or arrangement, options, warrants, bonds, debentures, notes, or other evidences of indebtedness, secured or unsecured, convertible, subordinated or otherwise, or in general any instruments commonly known as "securities" or any certificates of interest, shares or participations in temporary or interim certificates for the purchase or acquisition of, or any right to subscribe to, purchase or acquire, any of the foregoing.

"Securities Accounts" (i) shall mean all "securities accounts" as defined in Article 8 of the UCC and (ii) shall include, without limitation, all of the accounts listed on Schedule 4.4(A) under the heading "Securities Accounts" (as such schedule may be amended or supplemented from time to time).

"Supporting Obligation" shall mean all "supporting obligations" as defined in Article 9 of the UCC.

"Tax Code" shall mean the United States Internal Revenue Code of 1986, as amended from time to time.

"Trademark Licenses" shall mean any and all agreements providing for the granting of any right in or to Trademarks (whether such Grantor is licensee or licensor thereunder) including, without limitation, each agreement referred to in Schedule 4.7(F) (as such schedule may be amended or supplemented from time to time).

"Trademarks" shall mean all United States, and foreign trademarks, trade names, corporate names, company names, business names, fictitious business names, Internet domain names, service marks, certification marks, collective marks, logos, other source or

business identifiers, designs and general intangibles of a like nature, all registrations and applications for any of the foregoing including, but not limited to: (i) the registrations and applications referred to in Schedule 4.7(E) (as such schedule may be amended or supplemented from time to time), (ii) all extensions or renewals of any of the foregoing, (iii) all of the goodwill of the business connected with the use of and symbolized by the foregoing, (iv) the right to sue for past, present and future infringement or dilution of any of the foregoing or for any injury to goodwill, and (v) all Proceeds of the foregoing, including, without limitation, licenses, royalties, income, payments, claims, damages, and proceeds of suit.

"Trade Secret Licenses" shall mean any and all agreements providing for the granting of any right in or to Trade Secrets (whether such Grantor is licensee or licensor thereunder) including, without limitation, each agreement referred to in Schedule 4.7(G) (as such schedule may be amended or supplemented from time to time).

"Trade Secrets" shall mean all trade secrets and all other confidential or proprietary information and know-how whether or not such Trade Secret has been reduced to a writing or other tangible form, including all documents and things embodying, incorporating, or referring in any way to such Trade Secret, including but not limited to: (i) the right to sue for past, present and future misappropriation or other violation of any Trade Secret, and (ii) all Proceeds of the foregoing, including, without limitation, licenses, royalties, income, payments, claims, damages, and proceeds of suit.

"UCC" shall mean the Uniform Commercial Code as in effect from time to time in the State of New York or, when the context implies, the Uniform Commercial Code as in effect from time to time in any other applicable jurisdiction.

"United States" shall mean the United States of America.

1.2 Definitions; Interpretation. All capitalized terms used herein (including the preamble and recitals hereto) and not otherwise defined herein shall have the meanings ascribed thereto in the Credit Agreement or, if not defined therein, in the UCC. References to "Sections," "Exhibits" and "Schedules" shall be to Sections, Exhibits and Schedules, as the case may be, of this Agreement unless otherwise specifically provided. Section headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose or be given any substantive effect. Any of the terms defined herein may, unless the context otherwise requires, be used in the singular or the plural, depending on the reference. The use herein of the word "include" or "including", when following any general statement, term or matter, shall not be construed to limit such statement, term or matter to the specific items or matters set forth immediately following such word or to similar items or matters, whether or not nonlimiting language (such as "without limitation" or "but not limited to" or words of similar import) is used with reference thereto, but rather shall be deemed to refer to all other items or matters that fall within the broadest possible scope of such general statement, term or matter. If any conflict or inconsistency exists between this Agreement and the Credit Agreement, the Credit Agreement shall govern; provided, that to the extent any Grantor is permitted to dispose of the Collateral under the Credit Agreement without notice or consent to the Collateral Agent, no notice or consent shall be required hereunder. All references herein to provisions of the UCC shall include all successor provisions under any subsequent version or amendment to any Article of the UCC.

1.3 Confirmation of Grant of Security. Notwithstanding any amendments to the Credit Documents to the contrary, each Grantor hereby confirms that the Existing Pledge and Security Agreements and all Collateral (as defined therein) encumbered thereby will continue to secure to the fullest extent possible the payment and performance of all "Secured Obligations", including without limitation the payment and performance of all "Obligations" of each Grantor whether now or hereafter existing under or in respect of the Existing Credit Agreements or the Credit Agreement. The parties also hereby amend and restate the Existing Pledge and Security Agreements in their entirety.

SECTION 2. GRANT OF SECURITY.

2.1 Grant of Security. Each Grantor hereby grants to the Collateral Agent a security interest in and continuing lien on all of such Grantor's right, title and interest in, to and under all personal property of such Grantor including, but not limited to the following, in each case whether now owned or existing or hereafter acquired or arising and wherever located (all of which being hereinafter collectively referred to as the "**Collateral**"):

- (a) Accounts;
- (b) Chattel Paper;
- (c) Documents;
- (d) General Intangibles;
- (e) Goods;
- (f) Instruments;
- (g) Insurance;
- (h) Intellectual Property;
- (i) Investment Related Property;
- (j) Letter of Credit Rights;
- (k) Money;
- (l) Receivables and Receivable Records;
- (m) Commercial Tort Claims;

(n) to the extent not otherwise included above, all Collateral Records, Collateral Support and Supporting Obligations relating to any of the foregoing; and

(o) to the extent not otherwise included above, all Proceeds, products, accessions, rents and profits of or in respect of any of the foregoing.

2.2 Certain Limited Exclusions. Notwithstanding anything herein to the contrary, in no event shall the security interest granted under Section 2.1 hereof attach to (a) any Lease,

license, contract, property rights or agreement to which any Grantor is a party or any of its rights or interests thereunder if and for so long as the grant of such security interest shall constitute or result in (i) the abandonment, invalidation or unenforceability of any right, title or interest of any Grantor therein or (ii) in a breach or termination pursuant to the terms of, or a default under, any such Lease license, contract property rights or agreement (other than to the extent that any such term would be rendered ineffective pursuant to Sections 9-406, 9-407, 9-408 or 9-409 of the UCC (or any successor provision or provisions) of any relevant jurisdiction or any other applicable law (including the Bankruptcy Code) or principles of equity), provided however that such security interest shall attach immediately at such time as the condition causing such abandonment, invalidation or unenforceability shall be remedied and to the extent severable, shall attach immediately to any portion of such Lease, license, contract, property rights or agreement that does not result in any of the consequences specified in (i) or (ii) above; (b) in any of the outstanding capital stock of a Controlled Foreign Corporation in excess of 65% of the voting power of all classes of capital stock of such Controlled Foreign Corporation entitled to vote; provided that immediately upon the amendment of the Tax Code to allow the pledge of a greater percentage of the voting power of capital stock in a Controlled Foreign Corporation without adverse tax consequences, the Collateral shall include, and the security interest granted by each Grantor shall attach to, such greater percentage of capital stock of each Controlled Foreign Corporation; or (c) any Margin Stock.

SECTION 3. SECURITY FOR OBLIGATIONS; GRANTORS REMAIN LIABLE.

3.1 Security for Obligations. This Agreement secures, and the Collateral is collateral security for, the prompt and complete payment or performance in full when due, whether at stated maturity, by required prepayment, declaration, acceleration, demand or otherwise (including the payment of amounts that would become due but for the operation of the automatic stay under Section 362(a) of the Bankruptcy Code, 11 U.S.C. §362(a) (and any successor provision thereof)), of all Obligations with respect to every Grantor (the "**Secured Obligations**").

3.2 Continuing Liability Under Collateral. Notwithstanding anything herein to the contrary, (i) each Grantor shall remain liable for all obligations under the Collateral and nothing contained herein is intended or shall be a delegation of duties to the Collateral Agent or any Secured Party and (ii) each Grantor shall remain liable under each of the agreements included in the Collateral, including, without limitation, any agreements relating to Pledged Partnership Interests or Pledged LLC Interests, to perform all of the obligations undertaken by it thereunder all in accordance with and pursuant to the terms and provisions thereof and neither the Collateral Agent nor any Secured Party shall have any obligation or liability under any of such agreements by reason of or arising out of this Agreement or any other document related thereto nor shall the Collateral Agent nor any Secured Party have any obligation to make any inquiry as to the nature or sufficiency of any payment received by it or have any obligation to take any action to collect or enforce any rights under any agreement included in the Collateral, including, without limitation, any agreements relating to Pledged Partnership Interests or Pledged LLC Interests, (iii) the exercise by the Collateral Agent of any of its rights hereunder shall not release any Grantor from any of its duties or obligations under the contracts and agreements included in the Collateral.

SECTION 4. REPRESENTATIONS AND WARRANTIES AND COVENANTS.

4.1 Generally.

(a) Representations and Warranties. Each Grantor hereby represents and warrants that:

(i) other than Permitted Liens, it owns the Collateral purported to be owned by it or otherwise has the rights it purports to have in each item of Collateral and, as to all Collateral whether now existing or hereafter acquired, will continue to own or have such rights in each item of the Collateral, in each case free and clear of any and all Liens, rights or claims of all other Persons, including, without limitation, liens arising as a result of such Grantor becoming bound (as a result of merger or otherwise) as debtor under a security agreement entered into by another Person;

(ii) it has indicated on Schedule 4.1(A)(as such schedule may be amended or supplemented from time to time): (w) the type of organization of such Grantor, (x) the jurisdiction of organization of such Grantor, (y) its organizational identification number and (z) the jurisdiction where the chief executive office or its sole place of business is (or the principal residence if such Grantor is a natural person), and for the one-year period preceding the date hereof has been, located.

(iii) the full legal name of such Grantor is as set forth on Schedule 4.1(A) and it has not done in the last five (5) years, and does not do, business under any other name (including any trade-name or fictitious business name) except for those names set forth on Schedule 4.1(B) (as such schedule may be amended or supplemented from time to time);

(iv) except as provided on Schedule 4.1(C), it has not changed its name, jurisdiction of organization, chief executive office or sole place of business (or principal residence if such Grantor is a natural person) or its corporate structure in any way (e.g., by merger, consolidation, change in corporate form or otherwise) within the past five (5) years;

(v) it has not within the last five (5) years become bound (whether as a result of merger or otherwise) as debtor under a security agreement entered into by another Person, which has not heretofore been terminated other than the agreements identified on Schedule 4.1(D) hereof (as such schedule may be amended or supplemented from time to time);

(vi) with respect to each agreement identified on Schedule 4.1(D), it has indicated on Schedule 4.1 (A) and Schedule 4.1(B) the information required pursuant to Section 4.1(a)(ii), (iii) and (iv) with respect to the debtor under each such agreement;

(vii) upon the filing of all UCC financing statements naming each Grantor as "debtor" and the Collateral Agent as "secured party" and describing the Collateral in the filing offices set forth opposite such Grantor's name on Schedule 4.1(E) hereof (as such schedule may be amended or supplemented from time to time) and other filings delivered by each Grantor upon execution of a control agreement in the form of Exhibit C hereto with respect to each Deposit Account other than Deposit Accounts with outstanding balance no greater than \$700,000 individually at any time for any Grantor (the "**De Minimis Deposit Accounts**") in accordance with Section 4.4.4 hereof, upon consent of the issuer with respect to Letter of Credit Rights, and to the extent not subject to Article 9 of the UCC, upon recordation of the security interests granted hereunder in

Patents, Trademarks and Copyrights in the applicable intellectual property registries, including but not limited to the United States Patent and Trademark Office and the United States Copyright Office, the security interests granted to the Collateral Agent in the Collateral other than the De Minimis Deposit Accounts hereunder constitute valid and perfected first priority Liens (subject in the case of priority only to Permitted Liens and to the rights of the United States government (including any agency or department thereof) with respect to United States government Receivables) on all of the Collateral;

(viii) all actions and consents, including all filings, notices, registrations and recordings necessary or desirable for the exercise by the Collateral Agent of the voting or other rights provided for in this Agreement or the exercise of remedies in respect of the Collateral have been made or obtained;

(ix) other than the financing statements filed in favor of the Collateral Agent, no effective UCC financing statement, fixture filing or other instrument similar in effect under any applicable law covering all or any part of the Collateral is on file in any filing or recording office except for (x) financing statements for which proper termination statements have been delivered to the Collateral Agent for filing and (y) financing statements filed in connection with Permitted Liens;

(x) no authorization, approval or other action by, and no notice to or filing with, any Governmental Authority or regulatory body is required for either (i) the pledge or grant by any Grantor of the Liens purported to be created in favor of the Collateral Agent hereunder or (ii) the exercise by Collateral Agent of any rights or remedies in respect of any Collateral (whether specifically granted or created hereunder or created or provided for by applicable law), except (A) for the filings contemplated by clause (vii) above and (B) as may be required, in connection with the disposition of any Investment Related Property, by laws generally affecting the offering and sale of Securities;

(xi) all information supplied by any Grantor with respect to any of the Collateral (in each case taken as a whole with respect to any particular Collateral) is accurate and complete in all material respects;

(xii) none of the Collateral constitutes, or is the Proceeds of, "farm products" (as defined in the UCC);

(xiii) it does not own any "as extracted collateral" (as defined in the UCC) or any timber to be cut;

(xiv) Except as described on Schedule 4.1(D), such Grantor has not become bound as a debtor, either by contract or by operation of law, by a security agreement previously entered into by another Person; and;

(xv) Such Grantor has been duly organized as an entity of the type as set forth opposite such Grantor's name on Schedule 4.1(A) solely under the laws of the jurisdiction as set forth opposite such Grantor's name on Schedule 4.1(A) and remains duly existing as such. Such Grantor has not filed any certificates of domestication, transfer or continuance in any other jurisdiction.

that:

(b) Covenants and Agreements. Each Grantor hereby covenants and agrees

(i) except for the security interest created by this Agreement, it shall not create or suffer to exist any Lien upon or with respect to any of the Collateral, except Permitted Liens, and such Grantor shall defend the Collateral against all Persons at any time claiming any interest therein;

(ii) it shall not produce, use or permit any Collateral to be used unlawfully or in violation of any provision of this Agreement or any applicable statute, regulation or ordinance or any policy of insurance covering the Collateral;

(iii) it shall not change such Grantor's name, identity, corporate structure (e.g., by merger, consolidation, change in corporate form or otherwise) sole place of business (or principal residence if such Grantor is a natural person), chief executive office, type of organization or jurisdiction of organization or establish any trade names unless it shall have (a) notified the Collateral Agent in writing, by executing and delivering to the Collateral Agent a completed Pledge Supplement, substantially in the form of Exhibit A attached hereto, together with all Supplements to Schedules thereto, at least fifteen (15) days prior to any such change or establishment, identifying such new proposed name, identity, corporate structure, sole place of business (or principal residence if such Grantor is a natural person), chief executive office, jurisdiction of organization or trade name and providing such other information in connection therewith as the Collateral Agent may reasonably request and (b) taken all actions necessary or advisable to maintain the continuous validity, perfection and the same or better priority of the Collateral Agent's security interest in the Collateral intended to be granted and agreed to hereby;

(iv) if the Collateral Agent or any Secured Party gives value to enable Grantor to acquire rights in or the use of any Collateral, it shall use such value for such purposes and such Grantor further agrees that repayment of any Obligation shall apply on a "first-in, first-out" basis so that the portion of the value used to acquire rights in any Collateral shall be paid in the chronological order such Grantor acquired rights therein;

(v) it shall pay promptly when due all property and other taxes, assessments and governmental charges or levies imposed upon, and all claims (including claims for labor, materials and supplies) against, the Collateral, except to the extent the validity thereof is being contested in good faith; provided, such Grantor shall in any event pay such taxes, assessments, charges, levies or claims not later than five (5) days prior to the date of any proposed sale under any judgment, writ or warrant of attachment entered or filed against such Grantor or any of the Collateral as a result of the failure to make such payment;

(vi) upon such Grantor or any officer of such Grantor obtaining knowledge thereof, it shall promptly notify the Collateral Agent in writing of any event that may have a Material Adverse Effect on the value of the Collateral or any material portion thereof, the ability of any Grantor or the Collateral Agent to dispose of the Collateral or any material portion thereof, or the rights and remedies of the Collateral

Agent in relation thereto, including, without limitation, the levy of any legal process against the Collateral or any material portion thereof;

(vii) it shall not take or permit any action which could impair the Collateral Agent's rights in the Collateral; and

(viii) it shall not sell, transfer or assign (by operation of law or otherwise) any Collateral except as Permitted Sales.

4.2 Equipment and Inventory.

(a) **Representations and Warranties.** Each Grantor represents and warrants, on the Closing Date and on each Credit Date, that:

(i) all of the Equipment and Inventory included in the Collateral is kept for the past five (5) years only at the locations specified in Schedule 4.2 (as such schedule may be amended or supplemented from time to time);

(ii) any Goods now or hereafter produced by any Grantor included in the Collateral have been and will be produced in compliance with the requirements of the Fair Labor Standards Act, as amended; and

(iii) except as set forth on Schedule 4.2, none of the Inventory or Equipment is in the possession of an issuer of a negotiable document (as defined in Section 7-104 of the UCC) therefor or otherwise in the possession of a bailee or a warehouseman.

(b) **Covenants and Agreements.** Each Grantor covenants and agrees that:

(i) it shall keep the Equipment, Inventory and any Documents evidencing any Equipment and Inventory in the locations specified on Schedule 4.2 (as such schedule may be amended or supplemented from time to time) unless it shall have (a) notified the Collateral Agent in writing, at least five (5) Business Days prior to any change in location, identifying such new locations and providing such other information in connection therewith as the Collateral Agent may reasonably request by executing and delivering to the Collateral Agent a completed Pledge Supplement, substantially in the form of Exhibit A attached hereto, together with all Supplements to Schedules thereto, and (b) taken all actions requested by Collateral Agent necessary or advisable to maintain the continuous validity, perfection and the same or better priority of the Collateral Agent's security interest in the Collateral intended to be granted and agreed to hereby, or to enable the Collateral Agent to exercise and enforce its rights and remedies hereunder, with respect to such Equipment and Inventory;

(ii) it shall keep correct and accurate records of the Inventory, as is customarily maintained by the Company, and in any event in conformity with GAAP;

(iii) it shall not deliver any Document evidencing any Equipment and Inventory to any Person other than the issuer of such Document to claim the Goods evidenced therefor or the Collateral Agent;

(iv) if any Equipment or Inventory is in possession or control of any third party, upon request of Collateral Agent, each Grantor shall join with the Collateral Agent in notifying the third party of the Collateral Agent's security interest and use its reasonable best efforts to obtain an acknowledgment from the third party that it is holding the Equipment and Inventory for the benefit of the Collateral Agent; and

(v) with respect to any item of Equipment which is covered by a certificate of title under a statute of any jurisdiction under the law of which indication of a security interest on such certificate is required as a condition of perfection thereof, upon the reasonable request of the Collateral Agent, (A) provide information with respect to any such Equipment, (B) execute and file with the registrar of motor vehicles or other appropriate authority in such jurisdiction an application or other document requesting the notation or other indication of the security interest created hereunder on such certificate of title, and (C) deliver to the Collateral Agent copies of all such applications or other documents filed during such calendar quarter and copies of all such certificates of title issued during such calendar quarter indicating the security interest created hereunder in the items of Equipment covered thereby.

4.3 Receivables.

(a) Representations and Warranties. Each Grantor represents and warrants, on the Closing Date and on each Credit Date, that:

(i) each Receivable (a) is and will be the legal, valid and binding obligation of the Account Debtor in respect thereof, representing an unsatisfied obligation of such Account Debtor, (b) is and will be enforceable in accordance with its terms, (c) is not and will not be subject to any setoffs, defenses, taxes, counterclaims (except with respect to refunds, returns and allowances in the ordinary course of business) and (d) is and will be in compliance with all applicable laws, whether federal, state, local or foreign;

(ii) none of the Account Debtors in respect of any Receivable is the government of the United States, any agency or instrumentality thereof, any state or municipality or any foreign sovereign. No Receivable requires the consent of the Account Debtor in respect thereof in connection with the pledge hereunder, except any consent which has been obtained;

(iii) no Material Receivable is evidenced by, or constitutes, an Instrument or Chattel Paper which has not been delivered to, or otherwise subjected to the control of, the Collateral Agent to the extent required by, and in accordance with Section 4.3(c); and

(iv) each Grantor has delivered to the Collateral Agent a complete and correct copy of each standard form of document under which a Receivable may arise.

(b) Covenants and Agreements: Each Grantor hereby covenants and agrees that:

(i) it shall keep and maintain at its own cost and expense satisfactory and complete records of the Receivables, including, but not limited to, the

originals of all documentation with respect to all Receivables and records of all payments received and all credits granted on the Receivables, all merchandise returned and all other dealings therewith;

(ii) it shall mark conspicuously, in form and manner reasonably satisfactory to the Collateral Agent, all Chattel Paper, Instruments and other evidence of Receivables (other than any delivered to the Collateral Agent as provided herein), as well as the Receivables Records with an appropriate reference to the fact that the Collateral Agent has a security interest therein;

(iii) it shall perform in all material respects all of its obligations with respect to the Receivables;

(iv) other than in the ordinary course of business as generally conducted by it on and prior to the date hereof, it shall not amend, modify, terminate or waive any provision of any Receivable in excess of \$250,000 individually for any invoice or \$1,000,000 in the aggregate for any account ("**Material Receivables**") in any manner which could reasonably be expected to have a Material Adverse Effect on the value of such Material Receivable as Collateral. Other than in the ordinary course of business as generally conducted by it on and prior to the date hereof, and except as otherwise provided in subsection (v) below, following an Event of Default, such Grantor shall not (w) grant any extension or renewal of the time of payment of any Material Receivable, (x) compromise or settle any dispute, claim or legal proceeding with respect to any Material Receivable for less than the total unpaid balance thereof, (y) release, wholly or partially, any Person liable for the payment thereof, or (z) allow any credit or discount thereon;

(v) except as otherwise provided in this subsection, each Grantor shall continue to collect all amounts due or to become due to such Grantor under the Receivables and any Supporting Obligation and diligently exercise each material right it may have under any Receivable, any Supporting Obligation or Collateral Support, in each case, at its own expense, and in connection with such collections and exercise, such Grantor shall take such action as such Grantor or the Collateral Agent may deem necessary or advisable. Notwithstanding the foregoing, the Collateral Agent shall have the right at any time to notify, or require any Grantor to notify, any Account Debtor of the Collateral Agent's security interest in the Receivables and any Supporting Obligation and, in addition, at any time following the occurrence and during the continuation of an Event of Default, the Collateral Agent may: (1) direct the Account Debtors under any Receivables to make payment of all amounts due or to become due to such Grantor thereunder directly to the Collateral Agent; (2) notify, or require any Grantor to notify, each Person maintaining a lockbox or similar arrangement to which Account Debtors under any Receivables have been directed to make payment to remit all amounts representing collections on checks and other payment items from time to time sent to or deposited in such lockbox or other arrangement directly to the Collateral Agent; and (3) enforce, at the expense of such Grantor, collection of any such Receivables and to adjust, settle or compromise the amount or payment thereof, in the same manner and to the same extent as such Grantor might have done. If the Collateral Agent notifies any Grantor that it has elected to collect the Receivables in accordance with the preceding sentence, any payments of Receivables received by such Grantor shall be forthwith (and in any event within two (2) Business Days) deposited by such Grantor in the exact form received, duly

indorsed by such Grantor to the Collateral Agent if required, in a Securities Account or Deposit Account maintained under the sole dominion and control of the Collateral Agent, and until so turned over, all amounts and proceeds (including checks and other instruments) received by such Grantor in respect of the Receivables, any Supporting Obligation or Collateral Support shall be received in trust for the benefit of the Collateral Agent hereunder and shall be segregated from other funds of such Grantor and such Grantor shall not adjust, settle or compromise the amount or payment of any Receivable, or release wholly or partly any Account Debtor or obligor thereof, or allow any credit or discount thereon; and

(vi) it shall use its best efforts to keep in full force and effect any Supporting Obligation or Collateral Support relating to any Receivable.

(c) **Delivery and Control of Receivables.** With respect to any Material Receivables that is evidenced by, or constitutes, Chattel Paper or Instruments, each Grantor shall cause each originally executed copy thereof to be delivered to the Collateral Agent (or its agent or designee) appropriately indorsed to the Collateral Agent or indorsed in blank: (i) with respect to any such Receivables in existence on the date hereof, on or prior to the date hereof and (ii) with respect to any such Receivables hereafter arising, within ten (10) days of such Grantor acquiring rights therein. With respect to any Material Receivables which would constitute "electronic chattel paper" under Article 9 of the UCC, each Grantor shall take all steps necessary to give the Collateral Agent control over such Receivables (within the meaning of Section 9-105 of the UCC): (i) with respect to any such Receivables in existence on the date hereof, on or prior to the date hereof and (ii) with respect to any such Receivables hereafter arising, within ten (10) days of such Grantor acquiring rights therein. Any Receivable not otherwise required to be delivered or subjected to the control of the Collateral Agent in accordance with this subsection (c) shall be delivered or subjected to such control upon request of the Collateral Agent.

4.4 Investment Related Property.

4.4.1 Investment Related Property Generally.

(a) **Covenants and Agreements.** Each Grantor hereby covenants and agrees that:

(i) in the event it acquires rights in any Investment Related Property after the date hereof, it shall deliver to the Collateral Agent a completed Pledge Supplement, substantially in the form of Exhibit A attached hereto, together with all Supplements to Schedules thereto, reflecting such new Investment Related Property and all other Investment Related Property, provided that such requirements shall not apply to any Pledged Equity Interests in any entity (other than a Subsidiary of any Grantor) with a market value of less than \$250,000 in the aggregate (the "**De Minimis Pledged Equity Interests**"). Notwithstanding the foregoing, it is understood and agreed that the security interest of the Collateral Agent shall attach to all Investment Related Property, including, without limitation, all De Minimis Pledged Equity Interests, immediately upon any Grantor's acquisition of rights therein and shall not be affected by the failure of any Grantor to deliver a supplement to Schedule 4.4 as required hereby;

(ii) except as provided in the next sentence or otherwise in accordance with the Credit Agreement, in the event such Grantor receives any dividends,

interest or distributions on any Investment Related Property, or any securities or other property upon the merger, consolidation, liquidation or dissolution of any issuer of any Investment Related Property, then (a) such dividends, interest or distributions and securities or other property shall be included in the definition of Collateral without further action and (b) such Grantor shall immediately take all steps, if any, necessary or advisable to ensure the validity, perfection, priority and, if applicable, control of the Collateral Agent over such Investment Related Property (including, without limitation, delivery thereof to the Collateral Agent) and pending any such action such Grantor shall be deemed to hold such dividends, interest, distributions, securities or other property in trust for the benefit of the Collateral Agent and shall segregate such dividends, distributions, Securities or other property from all other property of such Grantor. Notwithstanding the foregoing, so long as no Event of Default shall have occurred and be continuing, the Collateral Agent authorizes each Grantor to retain all ordinary cash dividends and distributions paid in the normal course of the business of the issuer and consistent with the past practice of the issuer and all scheduled payments of interest;

(iii) each Grantor consents to the grant by each other Grantor of a Security Interest in all Investment Related Property to the Collateral Agent.

(b) Delivery and Control.

(i) Each Grantor agrees that with respect to any Investment Related Property in which it currently has rights it shall comply with the provisions of this Section 4.4.1(b) on or before the Credit Date and with respect to any Investment Related Property hereafter acquired by such Grantor it shall comply with the provisions of this Section 4.4.1(b) immediately upon acquiring rights therein, in each case in form and substance satisfactory to the Collateral Agent. With respect to any Investment Related Property that is represented by a certificate or that is an "instrument" (other than any Investment Related Property credited to a Securities Account) it shall cause such certificate or instrument to be delivered to the Collateral Agent, indorsed in blank by an "effective indorsement" (as defined in Section 8-107 of the UCC), regardless of whether such certificate constitutes a "certificated security" for purposes of the UCC. With respect to any Investment Related Property that is an "uncertificated security" for purposes of the UCC (other than any "uncertificated securities" credited to a Securities Account or any instrument listed on Schedule 4.4 which is a note issued by an employee ("Employee Notes"), it shall cause the issuer of such uncertificated security to either (i) register the Collateral Agent as the registered owner thereof on the books and records of the issuer or (ii) execute an agreement substantially in the form of Exhibit B hereto, pursuant to which such issuer agrees to comply with the Collateral Agent's instructions with respect to such uncertificated security without further consent by such Grantor.

(c) Voting and Distributions.

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

(1) except as otherwise provided under the covenants and agreements relating to investment related property in this Agreement or elsewhere herein or in the Credit Agreement, each Grantor shall be entitled to exercise or refrain from exercising any and all voting and other consensual rights pertaining to the

Investment Related Property or any part thereof for any purpose not inconsistent with the terms of this Agreement or the Credit Agreement; provided, no Grantor shall exercise or refrain from exercising any such right if the Collateral Agent shall have notified such Grantor that, in the Collateral Agent's reasonable judgment, such action would have a Material Adverse Effect on the value of the Investment Related Property or any part thereof; and provided further, such Grantor shall give the Collateral Agent at least five (5) Business Days prior written notice of the manner in which it intends to exercise, or the reasons for refraining from exercising, any such right; it being understood, however, that neither the voting by such Grantor of any Pledged Stock for, or such Grantor's consent to, the election of directors (or similar governing body) at a regularly scheduled annual or other meeting of stockholders or with respect to incidental matters at any such meeting, nor such Grantor's consent to or approval of any action otherwise permitted under this Agreement and the Credit Agreement, shall be deemed inconsistent with the terms of this Agreement or the Credit Agreement within the meaning of this Section 4.4.1(c)(i)(A), and no notice of any such voting or consent need be given to the Collateral Agent; and

- (2) the Collateral Agent shall promptly execute and deliver (or cause to be executed and delivered) to each Grantor all proxies, and other instruments as such Grantor may from time to time reasonably request for the purpose of enabling such Grantor to exercise the voting and other consensual rights when and to the extent which it is entitled to exercise pursuant to clause (A) above;
- (3) Upon the occurrence and during the continuation of an Event of Default:
 - (A) all rights of each Grantor to exercise or refrain from exercising the voting and other consensual rights which it would otherwise be entitled to exercise pursuant hereto shall cease and all such rights shall thereupon become vested in the Collateral Agent who shall thereupon have the sole right to exercise such voting and other consensual rights; and
 - (B) in order to permit the Collateral Agent to exercise the voting and other consensual rights which it may be entitled to exercise pursuant hereto and to receive all dividends and other distributions which it may be entitled to receive hereunder: (1) each Grantor shall promptly execute and deliver (or cause to be executed and delivered) to the Collateral Agent all proxies, dividend payment orders and other instruments as the Collateral Agent may from time to time reasonably request and (2) the each Grantor acknowledges that the Collateral Agent may utilize the power of attorney set forth in Section 6.

4.4.2 Pledged Equity Interests

(a) **Representations and Warranties.** Each Grantor hereby represents and warrants, on the Closing Date and on each Credit Date, that:

- (i) Schedule 4.4(A) (as such schedule may be amended or supplemented from time to time) sets forth under the headings "Pledged Stock," "Pledged

LLC Interests," "Pledged Partnership Interests" and "Pledged Trust Interests," respectively, all of the Pledged Stock, Pledged LLC Interests, Pledged Partnership Interests and Pledged Trust Interests owned by any Grantor and such Pledged Equity Interests constitute the percentage of issued and outstanding shares of stock, percentage of membership interests, percentage of partnership interests or percentage of beneficial interest of the respective issuers thereof indicated on such Schedule;

(ii) except as set forth on Schedule 4.4(B), it has not acquired any equity interests of another entity or substantially all the assets of another entity within the past five (5) years;

(iii) it is the record and beneficial owner of the Pledged Equity Interests free of all Liens, rights or claims of other Persons other than Permitted Liens and there are no outstanding warrants, options or other rights to purchase, or shareholder, voting trust or similar agreements outstanding with respect to, or property that is convertible into, or that requires the issuance or sale of, any Pledged Equity Interests;

(iv) without limiting the generality of Section 4.1(a)(v), no consent of any Person including any other general or limited partner, any other member of a limited liability company, any other shareholder or any other trust beneficiary is necessary or desirable in connection with the creation, perfection or first priority status of the security interest of the Collateral Agent in any Pledged Equity Interests or the exercise by the Collateral Agent of the voting or other rights provided for in this Agreement or the exercise of remedies in respect thereof;

(v) none of the Pledged LLC Interests nor Pledged Partnership Interests are or represent interests in issuers that: (a) are registered as investment companies, (b) are dealt in or traded on securities exchanges or markets or (c) have opted to be treated as securities under the uniform commercial code of any jurisdiction;

(b) Covenants and Agreements. Each Grantor hereby covenants and agrees that:

(i) Unless otherwise permitted under the Credit Agreement, without the prior written consent of the Collateral Agent, it shall not vote to enable or take any other action to: (a) amend or terminate any partnership agreement, limited liability company agreement, certificate of incorporation, by-laws or other organizational documents in any way that materially changes the rights of such Grantor with respect to any Investment Related Property or adversely affects the validity, perfection or priority of the Collateral Agent's security interest, (b) permit any issuer of any Pledged Equity Interest to issue any additional stock, partnership interests, limited liability company interests or other equity interests of any nature or to issue securities convertible into or granting the right of purchase or exchange for any stock or other equity interest of any nature of such issuer, (c) other than as permitted under the Credit Agreement, permit any issuer of any Pledged Equity Interest to dispose of all or a material portion of their assets, (d) waive any default under or breach of any terms of organizational document relating to the issuer of any Pledged Equity Interest or the terms of any Pledged Debt, or (e) cause any issuer of any Pledged Partnership Interests or Pledged LLC Interests which are not securities (for purposes of the UCC) on the date hereof to elect or otherwise take any action to cause such Pledged Partnership Interests or Pledged LLC Interests to be treated

as securities for purposes of the UCC; provided, however, notwithstanding the foregoing, if any issuer of any Pledged Partnership Interests or Pledged LLC Interests takes any such action in violation of the foregoing in this clause (e), such Grantor shall promptly notify the Collateral Agent in writing of any such election or action and, in such event, shall take all steps necessary or advisable to establish the Collateral Agent's "control" thereof;

(ii) it shall comply with all of its obligations under any partnership agreement or limited liability company agreement relating to Pledged Partnership Interests or Pledged LLC Interests and shall enforce all of its rights with respect to any Investment Related Property, except to the extent that the noncompliance or non-enforcement of which could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect;

(iii) unless otherwise permitted under the Credit Agreement, without the prior written consent of the Collateral Agent, it shall not permit any issuer of any Pledged Equity Interest to merge or consolidate unless (i) such issuer creates a security interest that is perfected by a filed financing statement (that is not effective solely under section 9-508 of the UCC) in collateral in which such new debtor has or acquires rights, and (ii) all the outstanding capital stock or other equity interests of the surviving or resulting corporation, limited liability company, partnership or other entity is, upon such merger or consolidation, pledged hereunder and no cash, securities or other property is distributed in respect of the outstanding equity interests of any other constituent Grantors; provided that if, in accordance with the provisions of the Credit Agreement, the surviving or resulting Grantors upon any such merger or consolidation involving an issuer which is a Controlled Foreign Corporation, then such Grantor shall only be required to pledge equity interests in accordance with Section 2.2; and

(iv) each Grantor consents to the grant by each other Grantor of a security interest in all Investment Related Property to the Collateral Agent and, without limiting the foregoing, consents to the transfer of any Pledged Partnership Interest and any Pledged LLC Interest to the Collateral Agent or its nominee following an Event of Default and to the substitution of the Collateral Agent or its nominee as a partner in any partnership or as a member in any limited liability company with all the rights and powers related thereto.

(v) it shall notify the Collateral Agent of any default under any Pledged Equity Interests that has caused, either in any case or in the aggregate, a Material Adverse Effect.

4.4.3 Pledged Debt

(a) Representations and Warranties. Each Grantor hereby represents and warrants, on the Closing Date and each Credit Date, that Schedule 4.4 (as such schedule may be amended or supplemented from time to time) sets forth under the heading "Pledged Debt" all of the Pledged Debt owned by any Grantor and all of such Pledged Debt has been duly authorized, authenticated or issued, and delivered and is the legal, valid and binding obligation of the issuers thereof and is not in default and constitutes all of the issued and outstanding inter-company Indebtedness;

(b) Covenants and Agreements. Each Grantor hereby covenants and agrees that it shall notify the Collateral Agent of any default under any Pledged Debt that has caused, either in any individual case or in the aggregate, a Material Adverse Effect.

4.4.4 Investment Accounts

(a) Representations and Warranties. Each Grantor hereby represents and warrants, on the Closing Date and each Credit Date, that:

(i) Schedule 4.4 hereto (as such schedule may be amended or supplemented from time to time) sets forth under the headings "Securities Accounts" and "Commodities Accounts," respectively, all of the Securities Accounts and Commodities Accounts in which each Grantor has an interest. Each Grantor is the sole entitlement holder of each such Securities Account and Commodity Account, and such Grantor has not consented to, and is not otherwise aware of, any Person (other than the Collateral Agent pursuant thereto) having "control" (within the meanings of Sections 8-106 and 9-106 of the UCC) over, or any other interest in, any such Securities Account or Commodity Account or securities or other property credited thereto;

(ii) Schedule 4.4 hereto (as such schedule may be amended or supplemented from time to time) sets forth under the headings "Deposit Accounts" all of the Deposit Accounts in which each Grantor has an interest. Each Grantor is the sole account holder of each such Deposit Account and such Grantor has not consented to, and is not otherwise aware of, any Person (other than the Collateral Agent pursuant thereto) having either sole dominion and control (within the meaning of common law) or "control" (within the meanings of Section 9-104 of the UCC) over, or any other interest in, any such Deposit Account or any money or other property deposited therein; and

(iii) Each Grantor has taken all actions necessary or desirable, including those specified in Section 4.4.4(c), to: (a) establish Collateral Agent's "control" (within the meanings of Sections 8-106 and 9-106 of the UCC) over any portion of the Investment Related Property constituting Certificated Securities (other than De Minimis Pledged Equity Interests), Uncertificated Securities, Securities Accounts, Securities Entitlements or Commodities Accounts (each as defined in the UCC); (b) except as otherwise in compliance with Section 5.14(c) of the Credit Agreement, establish the Collateral Agent's "control" (within the meaning of Section 9-104 of the UCC) over all Deposit Accounts (other than the De Minimis Deposit Accounts); and (c) deliver all Instruments (other than Employee Notes) to the Collateral Agent.

(b) Covenant and Agreement. Each Grantor hereby covenants and agrees with the Collateral Agent and each other Secured Party that it shall not close or terminate any Investment Account (other than the De Minimis Deposit Accounts) without the prior consent of the Collateral Agent and unless a successor or replacement account has been established with the consent of the Collateral Agent with respect to which successor or replacement account control agreement has been entered into by the appropriate Grantor, Collateral Agent and securities intermediary or depository institution at which such successor or replacement account is to be maintained in accordance with the provisions of Section 4.4.4(c).

(c) Delivery and Control

(i) With respect to any Investment Related Property consisting of Securities Accounts or Securities Entitlements, it shall cause the securities intermediary maintaining such Securities Account or Securities Entitlement to enter into an agreement substantially in the form of Exhibit C hereto pursuant to which it shall agree to comply with the Collateral Agent's "entitlement orders" without further consent by such Grantor. With respect to any Investment Related Property that is a "Deposit Account" (other than De Minimis Deposit Accounts), except as otherwise in compliance with Section 5.14(c) of the Credit Agreement, it shall cause the depository institution maintaining such account to enter into an agreement substantially in the form of Exhibit D hereto, pursuant to which the Collateral Agent shall have "control" (within the meaning of Section 9-104 of the UCC) over such Deposit Account. Each Grantor shall have entered into such control agreement or agreements with respect to: (i) any Securities Accounts, Securities Entitlements or Deposit Accounts that exist on the Credit Date, as of or prior to the Credit Date, except as otherwise in compliance with Section 5.14(c) of the Credit Agreement, and (ii) any Securities Accounts, Securities Entitlements or Deposit Accounts that are created or acquired after the Representation Date, as of or prior to the deposit or transfer of any such Securities Entitlements or funds, whether constituting moneys or investments, into such Securities Accounts or Deposit Accounts.

In addition to the foregoing, if any issuer of any Investment Related Property is located in a jurisdiction outside of the United States, if requested by Collateral Agent, each Grantor shall take such additional actions, including, without limitation, causing the issuer to register the pledge on its books and records or making such filings or recordings, in each case as may be necessary or advisable, under the laws of such issuer's jurisdiction to insure the validity, perfection and priority of the security interest of the Collateral Agent. Upon the occurrence of an Event of Default, the Collateral Agent shall have the right, without notice to any Grantor, to transfer all or any portion of the Investment Related Property to its name or the name of its nominee or agent. In addition, the Collateral Agent shall have the right at any time, without notice to any Grantor, to exchange any certificates or instruments representing any Investment Related Property for certificates or instruments of smaller or larger denominations.

4.5 Material Contracts.

(a) Representations and Warranties. Each Grantor hereby represents and warrants, on the Closing Date and on each Credit Date, that:

(i) Schedule 4.5 (as such schedule may be amended or supplemented from time to time) sets forth all of the Material Contracts to which such Grantor has rights;

(ii) the Material Contracts, true and complete copies (including any amendments or supplements thereof) of which have been furnished to the Collateral Agent, have been duly authorized, executed and delivered by all parties thereto, are in full force and effect and are binding upon and enforceable against all parties thereto in accordance with their respective terms. There exists no material default under any Material Contract by any party thereto and neither such Grantor, nor to its best knowledge, any other Person party thereto is likely to become in material default thereunder and no Person party thereto has any defenses, counterclaims or right of set-off

with respect to any Material Contract which could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect; and

(iii) except as described in Schedule 4.5(b), no Material Contract prohibits assignment or requires consent of or notice to any Person in connection with the assignment to the Collateral Agent hereunder, except such as has been given or made or is currently sought pursuant to Section 4.5 (b)(vii) hereof.

(b) Covenants and Agreements. Each Grantor hereby covenants and agrees that:

(i) in addition to any rights under the Section of this Agreement relating to Receivables, the Collateral Agent may at any time notify, or require any Grantor to so notify, the counterparty on any Material Contract of the security interest of the Collateral Agent therein. In addition, after the occurrence and during the continuance of an Event of Default, the Collateral Agent may upon written notice to the applicable Grantor, notify, or require any Grantor to notify, the counterparty to make all payments under the Material Contracts directly to the Collateral Agent;

(ii) each Grantor shall deliver promptly to the Collateral Agent a copy of each material demand, notice or document received by it relating in any way to any Material Contract;

(iii) it shall perform in all material respects all of its obligations with respect to the Material Contracts;

(iv) it shall promptly and diligently exercise each material right (except the right of termination) it may have under any Material Contract, any Supporting Obligation or Collateral Support, in each case, at its own expense, and in connection with such collections and exercise, such Grantor shall take such action as such Grantor or the Collateral Agent may deem necessary or advisable; and

(v) it shall use its best efforts to keep in full force and effect any Supporting Obligation or Collateral Support relating to any Material Contract.

4.6 Letter of Credit Rights.

(a) Representations and Warranties. Each Grantor hereby represents and warrants, on the Closing Date and on each Credit Date, that:

(i) all material letters of credit to which such Grantor has rights is listed on Schedule 4.6 (as such schedule may be amended or supplemented from time to time) hereto; and

(ii) it has obtained the consent of each issuer of any material letter of credit to the assignment of the proceeds of the letter of credit to the Collateral Agent.

(b) Covenants and Agreements. Each Grantor hereby covenants and agrees that with respect to any material letter of credit hereafter arising it shall obtain the consent of the issuer thereof to the assignment of the proceeds of the letter of credit to the Collateral Agent and

shall deliver to the Collateral Agent a completed Pledge Supplement, substantially in the form of Exhibit A attached hereto, together with all Supplements to Schedules thereto.

4.7 Intellectual Property.

(a) Representations and Warranties. Except as disclosed in Schedule 4.7(H) (as such schedule may be amended or supplemented from time to time), each Grantor hereby represents and warrants, on the Closing Date and on each Credit Date, that:

(i) Schedule 4.7 (as such schedule may be amended or supplemented from time to time) sets forth a true and complete list of (i) all United States, state and foreign registrations of and applications for Patents, Trademarks, and Copyrights owned by each Grantor and (ii) all Patent Licenses, Trademark Licenses, Trade Secret Licenses and Copyright Licenses material to the business of such Grantor;

(ii) it is the sole and exclusive owner of the entire right, title, and interest in and to all Intellectual Property on Schedule 4.7 (as such schedule may be amended or supplemented from time to time), and owns or has the valid right to use all other Intellectual Property used in or necessary to conduct its business, free and clear of all Liens, claims, encumbrances and licenses, except for Permitted Liens and the licenses set forth on Schedule 4.7(B), (D), (F) and (G) (as each may be amended or supplemented from time to time);

(iii) all Intellectual Property which the Collateral Agent reasonably determines to be material is subsisting and has not been adjudged invalid or unenforceable, in whole or in part, and each Grantor has performed all acts and has paid all renewal, maintenance, and other fees and taxes required to maintain each and every registration and application of Copyrights, Patents and Trademarks in full force and effect;

(iv) all Intellectual Property which the Collateral Agent reasonably determines to be material is valid and enforceable; no holding, decision, or judgment has been rendered in any action or proceeding before any court or administrative authority challenging the validity of, such Grantor's right to register, or such Grantor's rights to own or use, any Intellectual Property and no such action or proceeding is pending or, to the best of such Grantor's knowledge, threatened;

(v) all registrations and applications for Copyrights, Patents and Trademarks are standing in the name of each Grantor;

(vi) each Grantor has been using appropriate statutory notice of registration in connection with its use of registered Trademarks, proper marking practices in connection with the use of Patents, and appropriate notice of copyright in connection with the publication of Copyrights material to the business of such Grantor, except to the extent that a failure to do so would not have a Material Adverse Effect;

(vii) each Grantor uses adequate standards of quality in the manufacture, distribution, and sale of all products sold and in the provision of all services rendered under or in connection with all Trademark Collateral and has taken all action necessary to insure that all licensees of the Trademark Collateral owned by such Grantor

use such adequate standards of quality, except to the extent that a failure to do so would not have a Material Adverse Effect;

(viii) to the best of such Grantor's knowledge, the conduct of such Grantor's business does not infringe upon or otherwise violate any trademark, patent, copyright, trade secret or other intellectual property right owned or controlled by a third party; except to the extent that such infringement, violation or claim would not have a Material Adverse Effect, no claim has been made that the use of any Intellectual Property owned or used by Grantor (or any of its respective licensees) violates the asserted rights of any third party;

(ix) to the best of each Grantor's knowledge, no third party is infringing upon or otherwise violating any rights in any Intellectual Property owned or used by such Grantor, or any of its respective licensees;

(x) no settlement or consents, covenants not to sue, nonassertion assurances, or releases have been entered into by Grantor or to which Grantor is bound that adversely effect Grantor's rights to own or use any material Intellectual Property; and

(xi) each Grantor has not made a previous assignment, sale, transfer or agreement constituting a present or future assignment, sale, transfer or agreement of any Intellectual Property that has not been terminated or released. There is no effective financing statement or other document or instrument now executed, or on file or recorded in any public office, granting a security interest in or otherwise encumbering any part of the Intellectual Property, other than in favor of the Collateral Agent.

(b) Covenants and Agreements. Each Grantor hereby covenants and agrees as follows:

(i) it shall not do any act or omit to do any act whereby any of the Intellectual Property which is material to the business of Grantor may lapse, or become abandoned, dedicated to the public, or unenforceable, or which would adversely affect the validity, grant, or enforceability of the security interest granted therein;

(ii) it shall not, with respect to any Trademarks which are material to the business of any Grantor, cease the use of any of such Trademarks or fail to maintain the level of the quality of products sold and services rendered under any of such Trademark at a level at least substantially consistent with the quality of such products and services as of the date hereof, and each Grantor shall take all steps necessary to insure that licensees of such Trademarks use such consistent standards of quality;

(iii) it shall promptly notify the Collateral Agent if it knows or has reason to know that any item of the Intellectual Property that is material to the business of any Grantor may become (a) abandoned or dedicated to the public or placed in the public domain, (b) invalid or unenforceable, or (c) subject to any adverse determination or development (including the institution of proceedings) in any action or proceeding in the United States Patent and Trademark Office, the United States Copyright Office, any state registry, any foreign counterpart of the foregoing, or any court;

(iv) it shall take all reasonable steps in the United States Patent and Trademark Office, the United States Copyright Office, any state registry or any foreign counterpart of the foregoing, to pursue any application and maintain any registration of each Trademark, Patent, and Copyright owned by any Grantor and material to its business which is now or shall become included in the Intellectual Property including, but not limited to, those items on Schedule 47(A), (C) and (E) (as each may be amended or supplemented from time to time);

(v) in the event that any Intellectual Property owned by or exclusively licensed to any Grantor is infringed, misappropriated, or diluted by a third party, such Grantor shall promptly take all actions in such Grantor's reasonable business judgment to stop such infringement, misappropriation, or dilution and protect its rights in such Intellectual Property including, but not limited to, the initiation of a suit for injunctive relief and to recover damages;

(vi) it shall promptly (but in no event more than thirty (30) days after any Grantor obtains knowledge thereof) report to the Collateral Agent (i) the filing of any application to register any Intellectual Property with the United States Patent and Trademark Office, the United States Copyright Office, or any state registry or foreign counterpart of the foregoing (whether such application is filed by such Grantor or through any agent, employee, licensee, or designee thereof) and (ii) the registration of any Intellectual Property by any such office, in each case by executing and delivering to the Collateral Agent a completed Pledge Supplement, substantially in the form of Exhibit A attached hereto, together with all Supplements to Schedules thereto;

(vii) it shall, promptly upon the reasonable request of the Collateral Agent, execute and deliver to the Collateral Agent any document required to acknowledge, confirm, register, record, or perfect the Collateral Agent's interest in any part of the Intellectual Property, whether now owned or hereafter acquired;

(viii) except with the prior consent of the Collateral Agent or as permitted under the Credit Agreement, each Grantor shall not execute, and there will not be on file in any public office, any financing statement or other document or instruments, except financing statements or other documents or instruments filed or to be filed in favor of the Collateral Agent and each Grantor shall not sell, assign, transfer, grant any option, create or suffer to exist any Lien upon or with respect to or, except in the ordinary course of business and consistent with past practice, license, the Intellectual Property, except for the Lien created by and under this Agreement and the other Credit Documents;

(ix) it shall hereafter use best efforts so as not to permit the inclusion in any contract to which it hereafter becomes a party of any provision that could or might in any way materially impair or prevent the creation of a security interest in, or the assignment of, such Grantor's rights and interests in any property included within the definitions of any Intellectual Property acquired under such contracts;

(x) except as in the ordinary course of business and consistent with past practice license, it shall take all steps reasonably necessary to protect the secrecy of all Trade Secrets, including, without limitation, entering into confidentiality agreements with employees and labeling and restricting access to secret information and documents;

(xi) it shall use proper statutory notice in connection with its use of any material Intellectual Property; and

(xii) it shall continue to collect, at its own expense, all amounts due or to become due to such Grantor in the ordinary course of business in respect of the Intellectual Property or any portion thereof. In connection with such collections, each Grantor may take (and, at the Collateral Agent's reasonable direction, shall take) such action as such Grantor or the Collateral Agent may deem reasonably necessary or advisable to enforce collection of such amounts. Notwithstanding the foregoing, the Collateral Agent shall have the right at any time, to notify, or require any Grantor to notify, any obligors with respect to any such amounts of the existence of the security interest created hereby.

4.8 Commercial Tort Claims

(a) Representations and Warranties. Each Grantor hereby represents and warrants, on the Closing Date and on each Credit Date, that Schedule 4.8 (as such schedule may be amended or supplemented from time to time) sets forth all Commercial Tort Claims of each Grantor; and

(b) Covenants and Agreements. Each Grantor hereby covenants and agrees that with respect to any Commercial Tort Claim hereafter arising it shall deliver to the Collateral Agent a completed Pledge Supplement, substantially in the form of Exhibit A attached hereto, together with all Supplements to Schedules thereto, identifying such new Commercial Tort Claims.

SECTION 5. ACCESS; RIGHT OF INSPECTION AND FURTHER ASSURANCES; ADDITIONAL GRANTORS.

5.1 Access; Right of Inspection. The Collateral Agent shall at all times have full and free access during normal business hours to all the books, correspondence and records of each Grantor, and the Collateral Agent and its representatives may examine the same, take extracts therefrom and make photocopies thereof, and each Grantor agrees to render to the Collateral Agent, at such Grantor's cost and expense, such clerical and other assistance as may be reasonably requested with regard thereto. The Collateral Agent and its representatives shall at all times also have the right to enter any premises of each Grantor and inspect any property of each Grantor where any of the Collateral of such Grantor granted pursuant to this Agreement is located for the purpose of inspecting the same, observing its use or otherwise protecting its interests therein.

5.2 Further Assurances.

(a) Each Grantor agrees that from time to time, at the expense of such Grantor, that it shall promptly execute and deliver all further instruments and documents, and take all further action, that may be necessary or desirable, or that the Collateral Agent may reasonably request, in order to create and/or maintain the validity, perfection or priority of and protect any security interest granted hereby or to enable the Collateral Agent to exercise and enforce its rights and remedies hereunder with respect to any Collateral. Without limiting the generality of the foregoing, each Grantor shall:

(i) file such financing or continuation statements, or amendments thereto, and execute and deliver such other agreements, instruments, endorsements, powers of attorney or notices, as may be necessary or desirable, or as the Collateral Agent may reasonably request, in order to perfect and preserve the security interests granted or purported to be granted hereby;

(ii) take all actions necessary to ensure the recordation of appropriate evidence of the liens and security interest granted hereunder in the Intellectual Property with any intellectual property registry in which said Intellectual Property is registered or in which an application for registration is pending including, without limitation, the United States Patent and Trademark Office, the United States Copyright Office, the various Secretaries of State, and the foreign counterparts on any of the foregoing;

(iii) at any reasonable time, upon request by the Collateral Agent, assemble the Collateral and allow inspection of the Collateral by the Collateral Agent, or persons designated by the Collateral Agent; and

(iv) at the Collateral Agent's request, appear in and defend any action or proceeding that may affect such Grantor's title to or the Collateral Agent's security interest in all or any part of the Collateral.

(b) Each Grantor hereby authorizes the Collateral Agent to file a Record or Records, including, without limitation, financing or continuation statements, and amendments thereto, in any jurisdictions and with any filing offices as the Collateral Agent may determine, in its sole discretion, are necessary or advisable to perfect the security interest granted to the Collateral Agent herein. Such financing statements may describe the Collateral in the same manner as described herein or may contain an indication or description of collateral that describes such property in any other manner as the Collateral Agent may determine, in its sole discretion, is necessary, advisable or prudent to ensure the perfection of the security interest in the Collateral granted to the Collateral Agent herein, including, without limitation, describing such property as "all assets" or "all personal property, whether now owned or hereafter acquired." Each Grantor shall furnish to the Collateral Agent from time to time statements and schedules further identifying and describing the Collateral and such other reports in connection with the Collateral as the Collateral Agent may reasonably request, all in reasonable detail.

(c) Each Grantor hereby authorizes the Collateral Agent to modify this Agreement after obtaining such Grantor's approval of or signature to such modification by amending Schedule 4.7 (as such schedule may be amended or supplemented from time to time) to include reference to any right, title or interest in any existing Intellectual Property or any Intellectual Property acquired or developed by any Grantor after the execution hereof or to delete any reference to any right, title or interest in any Intellectual Property in which any Grantor no longer has or claims any right, title or interest.

5.3 Additional Grantors. From time to time subsequent to the date hereof, additional Persons may become parties hereto as additional Grantors (each, an "**Additional Grantor**"), by executing a Counterpart Agreement. Upon delivery of any such counterpart agreement to the Collateral Agent, notice of which is hereby waived by Grantors, each Additional Grantor shall be a Grantor and shall be as fully a party hereto as if Additional Grantor were an original signatory hereto. Each Grantor expressly agrees that its obligations arising hereunder

shall not be affected or diminished by the addition or release of any other Grantor hereunder, nor by any election of Collateral Agent not to cause any Subsidiary of Company to become an Additional Grantor hereunder. This Agreement shall be fully effective as to any Grantor that is or becomes a party hereto regardless of whether any other Person becomes or fails to become or ceases to be a Grantor hereunder.

SECTION 6. COLLATERAL AGENT APPOINTED ATTORNEY-IN-FACT.

6.1 Power of Attorney. Each Grantor hereby irrevocably appoints the Collateral Agent (such appointment being coupled with an interest) as such Grantor's attorney-in-fact, with full authority in the place and stead of such Grantor and in the name of such Grantor, the Collateral Agent or otherwise, from time to time in the Collateral Agent's discretion to take any action and to execute any instrument that the Collateral Agent may deem reasonably necessary or advisable to accomplish the purposes of this Agreement, including, without limitation, the following:

(a) upon the occurrence and during the continuance of any Event of Default, to obtain and adjust insurance required to be maintained by such Grantor or paid to the Collateral Agent pursuant to the Credit Agreement;

(b) upon the occurrence and during the continuance of any Event of Default, to ask for, demand, collect, sue for, recover, compound, receive and give acquittance and receipts for moneys due and to become due under or in respect of any of the Collateral;

(c) upon the occurrence and during the continuance of any Event of Default, to receive, endorse and collect any drafts or other instruments, documents and chattel paper in connection with clause (b) above;

(d) upon the occurrence and during the continuance of any Event of Default, to file any claims or take any action or institute any proceedings that the Collateral Agent may deem necessary or desirable for the collection of any of the Collateral or otherwise to enforce the rights of the Collateral Agent with respect to any of the Collateral;

(e) to prepare and file any UCC financing statements against such Grantor as debtor;

(f) to prepare, sign, and file for recordation in any intellectual property registry, appropriate evidence of the lien and security interest granted herein in the Intellectual Property in the name of such Grantor as debtor;

(g) to take or cause to be taken all actions necessary to perform or comply or cause performance or compliance with the terms of this Agreement, including, without limitation, access to pay or discharge taxes or Liens (other than Permitted Liens) levied or placed upon or threatened against the Collateral, the legality or validity thereof and the amounts necessary to discharge the same to be determined by the Collateral Agent in its sole discretion, any such payments made by the Collateral Agent to become obligations of such Grantor to the Collateral Agent, due and payable immediately without demand; and

(h) generally to sell, transfer, pledge, make any agreement with respect to or otherwise deal with any of the Collateral as fully and completely as though the Collateral Agent

were the absolute owner thereof for all purposes, and to do, at the Collateral Agent's option and such Grantor's expense, at any time or from time to time, all acts and things that the Collateral Agent deems reasonably necessary to protect, preserve or realize upon the Collateral and the Collateral Agent's security interest therein in order to effect the intent of this Agreement, all as fully and effectively as such Grantor might do.

6.2 No Duty on the Part of Collateral Agent or Secured Parties. The powers conferred on the Collateral Agent hereunder are solely to protect the interests of the Secured Parties in the Collateral and shall not impose any duty upon the Collateral Agent or any Secured Party to exercise any such powers. The Collateral Agent and the Secured Parties shall be accountable only for amounts that they actually receive as a result of the exercise of such powers, and neither they nor any of their officers, directors, employees or agents shall be responsible to any Grantor for any act or failure to act hereunder, except for their own gross negligence or willful misconduct.

SECTION 7. REMEDIES.

7.1 Generally.

(a) If any Event of Default shall have occurred and be continuing, the Collateral Agent may exercise in respect of the Collateral, in addition to all other rights and remedies provided for herein or otherwise available to it at law or in equity, all the rights and remedies of the Collateral Agent on default under the UCC (whether or not the UCC applies to the affected Collateral) to collect, enforce or satisfy any Secured Obligations then owing, whether by acceleration or otherwise, and also may pursue any of the following separately, successively or simultaneously:

(i) require any Grantor to, and each Grantor hereby agrees that it shall at its expense and promptly upon request of the Collateral Agent forthwith, assemble all or part of the Collateral as directed by the Collateral Agent and make it available to the Collateral Agent at a place to be designated by the Collateral Agent that is reasonably convenient to both parties;

(ii) enter onto the property where any Collateral is located and take possession thereof with or without judicial process;

(iii) prior to the disposition of the Collateral, store, process, repair or recondition the Collateral or otherwise prepare the Collateral for disposition in any manner to the extent the Collateral Agent deems appropriate; and

(iv) without notice except as specified below or under the UCC, sell, assign, lease, license (on an exclusive or nonexclusive basis) or otherwise dispose of the Collateral or any part thereof in one or more parcels at public or private sale, at any of the Collateral Agent's offices or elsewhere, for cash, on credit or for future delivery, at such time or times and at such price or prices and upon such other terms as the Collateral Agent may deem commercially reasonable.

(b) The Collateral Agent or any Secured Party may be the purchaser of any or all of the Collateral at any public or private (to the extent to portion of the Collateral being privately sold is of a kind that is customarily sold on a recognized market or the subject of widely

distributed standard price quotations) sale in accordance with the UCC and the Collateral Agent, as collateral agent for and representative of the Secured Parties, shall be entitled, for the purpose of bidding and making settlement or payment of the purchase price for all or any portion of the Collateral sold at any such sale made in accordance with the UCC, to use and apply any of the Secured Obligations as a credit on account of the purchase price for any Collateral payable by the Collateral Agent at such sale. Each purchaser at any such sale shall hold the property sold absolutely free from any claim or right on the part of any Grantor, and each Grantor hereby waives (to the extent permitted by applicable 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. Each Grantor agrees that, to the extent notice of sale shall be required by law, at least ten (10) days notice to such Grantor of the time and place of any public sale or the time after which any private sale is to be made shall constitute reasonable notification. The Collateral Agent shall not be obligated to make any sale of 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 Grantor agrees that it would not be commercially unreasonable for the Collateral Agent to dispose of the Collateral or any portion thereof by using Internet sites that provide for the auction of assets of the types included in the Collateral or that have the reasonable capability of doing so, or that match buyers and sellers of assets. Each Grantor hereby waives any claims against the Collateral Agent arising by reason of the fact that the price at which any Collateral may have been sold 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 Collateral to more than one offeree. If the proceeds of any sale or other disposition of the Collateral are insufficient to pay all the Secured Obligations, Grantors shall be liable for the deficiency and the fees of any attorneys employed by the Collateral Agent to collect such deficiency. Each Grantor further agrees that a breach of any of the covenants contained in this Section will cause irreparable injury to the Collateral Agent, that the Collateral Agent has no adequate remedy at law in respect of such breach and, as a consequence, that each and every covenant contained in this Section shall be specifically enforceable against such Grantor, and such Grantor hereby waives and agrees not to assert any defenses against an action for specific performance of such covenants except for a defense that no default has occurred giving rise to the Secured Obligations becoming due and payable prior to their stated maturities. Nothing in this Section shall in any way alter the rights of the Collateral Agent hereunder.

(c) The Collateral Agent may sell the Collateral without giving any warranties as to the Collateral. The Collateral Agent may specifically disclaim or modify any warranties of title or the like. This procedure will not be considered to adversely effect the commercial reasonableness of any sale of the Collateral.

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

(e) The Collateral Agent shall have no obligation to marshal any of the Collateral.

7.2 Application of Proceeds. Except as expressly provided elsewhere in this Agreement, all proceeds received by the Collateral Agent in respect of any sale, any collection

from, or other realization upon all or any part of the Collateral shall be applied in full or in part by the Collateral Agent against, the Secured Obligations in the following order of priority: first, to the payment of all costs and expenses of such sale, collection or other realization, including reasonable compensation to the Collateral Agent and its agents and counsel, and all other expenses, liabilities and advances made or incurred by the Collateral Agent in connection therewith, and all amounts for which the Collateral Agent is entitled to indemnification hereunder (in its capacity as the Collateral Agent and not as a Lender) and all advances made by the Collateral Agent hereunder for the account of the applicable Grantor, and to the payment of all costs and expenses paid or incurred by the Collateral Agent in connection with the exercise of any right or remedy hereunder or under the Credit Agreement, all in accordance with the terms hereof or thereof; second, to the extent of any excess of such proceeds, to the payment of all other Secured Obligations for the ratable benefit of the Lenders and the Lender Counterparties; and third, to the extent of any excess of such proceeds, to the payment to or upon the order of such Grantor or to whosoever may be lawfully entitled to receive the same or as a court of competent jurisdiction may direct.

7.3 Sales on Credit. If Collateral Agent sells any of the Collateral upon credit, Grantor will be credited only with payments actually made by purchaser and received by Collateral Agent and applied to indebtedness of the Purchaser. In the event the purchaser fails to pay for the Collateral, Collateral Agent may resell the Collateral and Grantor shall be credited with proceeds of the sale.

7.4 Deposit Accounts. If any Event of Default shall have occurred and be continuing, the Collateral Agent may apply the balance from any Deposit Account or instruct the bank at which any Deposit Account is maintained to pay the balance of any Deposit Account to or for the benefit of the Collateral Agent.

7.5 Investment Related Property.

(a) Each Grantor recognizes that, by reason of certain prohibitions contained in 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 Investment Related Property conducted without prior registration or qualification of such Investment Related Property under the Securities Act and/or such state securities laws, to limit purchasers to those who will agree, among other things, to acquire the Investment Related Property for their own account, for investment and not with a view to the distribution or resale thereof. Each Grantor acknowledges that any such private sale may be at prices and on terms less favorable than those obtainable through a public sale without such restrictions (including a public offering made pursuant to a registration statement under the Securities Act) and, notwithstanding such circumstances, each Grantor 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 Investment Related Property 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, or should, agree to so register it. If the Collateral Agent determines to exercise its right to sell any or all of the Investment Related Property, upon written request, each Grantor shall and shall cause each issuer of any Pledged Stock to be sold hereunder, each partnership and each limited liability company from time to time to furnish to the Collateral Agent all such information as the Collateral Agent may request in order to determine the number and nature of interest, shares or other instruments included in the Investment Related Property which may be sold by the Collateral Agent in exempt transactions

under the Securities Act and the rules and regulations of the Securities and Exchange Commission thereunder, as the same are from time to time in effect.

(b) Upon the occurrence and during the continuation of an Event of Default, the Collateral Agent shall have the right to apply the balance from any Deposit Account or instruct the bank at which any Deposit Account is maintained to pay the balance of any Deposit Account to or for the benefit of the Collateral Agent.

7.6 Intellectual Property.

(a) Anything contained herein to the contrary notwithstanding, upon the occurrence and during the continuation of an Event of Default:

(i) the Collateral Agent shall have the right (but not the obligation) to bring suit or otherwise commence any action or proceeding in the name of any Grantor, the Collateral Agent or otherwise, in the Collateral Agent's sole discretion, to enforce any Intellectual Property, in which event such Grantor shall, at the request of the Collateral Agent, do any and all lawful acts and execute any and all documents required by the Collateral Agent in aid of such enforcement and such Grantor shall promptly, upon demand, reimburse and indemnify the Collateral Agent as provided in Section 10 hereof in connection with the exercise of its rights under this Section, and, to the extent that the Collateral Agent shall elect not to bring suit to enforce any Intellectual Property as provided in this Section, each Grantor agrees to use all reasonable measures, whether by action, suit, proceeding or otherwise, to prevent the infringement or other violation of any of such Grantor's rights in the Intellectual Property by others and for that purpose agrees to diligently maintain any action, suit or proceeding against any Person so infringing as shall be necessary to prevent such infringement or violation;

(ii) upon written demand from the Collateral Agent, each Grantor shall grant, assign, convey or otherwise transfer to the Collateral Agent an absolute assignment of all of such Grantor's right, title and interest in and to the Intellectual Property and shall execute and deliver to the Collateral Agent such documents as are necessary or appropriate to carry out the intent and purposes of this Agreement;

(iii) each Grantor agrees that such an assignment and/or recording shall be applied to reduce the Secured Obligations outstanding only to the extent that the Collateral Agent (or any Secured Party) receives cash proceeds in respect of the sale of, or other realization upon, the Intellectual Property;

(iv) within five (5) Business Days after written notice from the Collateral Agent, each Grantor shall make available to the Collateral Agent, to the extent within such Grantor's power and authority, such personnel in such Grantor's employ on the date of such Event of Default as the Collateral Agent may reasonably designate, by name, title or job responsibility, to permit such Grantor to continue, directly or indirectly, to produce, advertise and sell the products and services sold or delivered by such Grantor under or in connection with the Trademarks, Trademark Licenses, such persons to be available to perform their prior functions on the Collateral Agent's behalf and to be compensated by the Collateral Agent at such Grantor's expense on a per diem, pro-rata basis consistent with the salary and benefit structure applicable to each as of the date of such Event of Default; and

(v) the Collateral Agent shall have the right to notify, or require each Grantor to notify, any obligors with respect to amounts due or to become due to such Grantor in respect of the Intellectual Property, of the existence of the security interest created herein, to direct such obligors to make payment of all such amounts directly to the Collateral Agent, and, upon such notification and at the expense of such Grantor, to enforce collection of any such amounts and to adjust, settle or compromise the amount or payment thereof, in the same manner and to the same extent as such Grantor might have done;

- (1) all amounts and proceeds (including checks and other instruments) received by Grantor in respect of amounts due to such Grantor in respect of the Collateral or any portion thereof shall be received in trust for the benefit of the Collateral Agent hereunder, shall be segregated from other funds of such Grantor and shall be forthwith paid over or delivered to the Collateral Agent in the same form as so received (with any necessary endorsement) to be held as cash Collateral and applied as provided by Section 7.7 hereof; and
- (2) Grantor shall not adjust, settle or compromise the amount or payment of any such amount or release wholly or partly any obligor with respect thereto or allow any credit or discount thereon.

(b) If (i) an Event of Default shall have occurred and, by reason of cure, waiver, modification, amendment or otherwise, no longer be continuing, (ii) no other Event of Default shall have occurred and be continuing, (iii) an assignment or other transfer to the Collateral Agent of any rights, title and interests in and to the Intellectual Property shall have been previously made and shall have become absolute and effective, and (iv) the Secured Obligations shall not have become immediately due and payable, upon the written request of any Grantor, the Collateral Agent shall promptly execute and deliver to such Grantor, at such Grantor's sole cost and expense, such assignments or other transfer as may be necessary to reassign to such Grantor any such rights, title and interests as may have been assigned to the Collateral Agent as aforesaid, subject to any disposition thereof that may have been made by the Collateral Agent; provided, after giving effect to such reassignment, the Collateral Agent's security interest granted pursuant hereto, as well as all other rights and remedies of the Collateral Agent granted hereunder, shall continue to be in full force and effect; and provided further, the rights, title and interests so reassigned shall be free and clear of any other Liens granted by or on behalf of the Collateral Agent and the Secured Parties.

(c) Solely for the purpose of enabling the Collateral Agent to exercise rights and remedies under this Section 7 and at such time as the Collateral Agent shall be lawfully entitled to exercise such rights and remedies, each Grantor hereby grants to the Collateral Agent, to the extent it has the right to do so, an irrevocable, nonexclusive license (exercisable without payment of royalty or other compensation to such Grantor), subject, in the case of Trademarks, to sufficient rights to quality control and inspection in favor of such Grantor to avoid the risk of invalidation of said Trademarks, to use, operate under, license, or sublicense any Intellectual Property now owned or hereafter acquired by such Grantor, and wherever the same may be located.

7.7 Cash Proceeds. In addition to the rights of the Collateral Agent specified in Section 4.3 with respect to payments of Receivables, all proceeds of any Collateral received by any Grantor consisting of cash, checks and other near-cash items (collectively, "**Cash Proceeds**")

shall be held by such Grantor in trust for the Collateral Agent, segregated from other funds of such Grantor, and shall, forthwith upon receipt by such Grantor, unless otherwise provided pursuant to Section 4.4.1(a)(ii), be turned over to the Collateral Agent in the exact form received by such Grantor (duly indorsed by such Grantor to the Collateral Agent, if required) and held by the Collateral Agent [in the Collateral Account]. Any Cash Proceeds received by the Collateral Agent (whether from a Grantor or otherwise): (i) if no Event of Default shall have occurred and be continuing, shall be held by the Collateral Agent for the ratable benefit of the Secured Parties, as collateral security for the Secured Obligations (whether matured or unmatured) and (ii) if an Event of Default shall have occurred and be continuing, may, in the sole discretion of the Collateral Agent, (A) be held by the Collateral Agent for the ratable benefit of the Secured Parties, as collateral security for the Secured Obligations (whether matured or unmatured) and/or (B) then or at any time thereafter may be applied by the Collateral Agent against the Secured Obligations then due and owing.

SECTION 8. COLLATERAL AGENT.

The Collateral Agent has been appointed to act as Collateral Agent hereunder by Lenders and, by their acceptance of the benefits hereof, the other Secured Parties. The Collateral Agent shall be obligated, and 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 any action (including, without limitation, the release or substitution of Collateral), solely in accordance with this Agreement and the Credit Agreement; provided, the Collateral Agent shall, after payment in full of all Obligations under the Credit Agreement and the other Credit Documents, exercise, or refrain from exercising, any remedies provided for herein in accordance with the instructions of the holders of a majority of the aggregate notional amount (or, with respect to any Hedge Agreement that has been terminated in accordance with its terms, the amount then due and payable (exclusive of expenses and similar payments but including any early termination payments then due) under such Hedge Agreement) under all Hedge Agreements. In furtherance of the foregoing provisions of this Section, each Secured Party, by its acceptance of the benefits hereof, agrees that it shall have no right individually to realize upon any of the Collateral hereunder, it being understood and agreed by such Secured Party that all rights and remedies hereunder may be exercised solely by the Collateral Agent for the benefit of Lenders and Lender Counterparties in accordance with the terms of this Section. Collateral Agent may resign at any time by giving thirty (30) days' prior written notice thereof to Lenders and the Grantors, and Collateral Agent may be removed at any time with or without cause by an instrument or concurrent instruments in writing delivered to the Grantors and Collateral Agent signed by the Requisite Lenders under the Credit Agreement. Upon any such notice of resignation or any such removal, Requisite Lenders shall have the right, upon five (5) Business Days' notice to the Collateral Agent, following receipt of the Grantors' consent (which shall not be unreasonable withheld or delayed and which shall not be required while an Event of Default exists), to appoint a successor Collateral Agent. Upon the acceptance of any appointment as Collateral Agent hereunder by a successor Collateral Agent, that successor Collateral Agent under this Agreement. Upon the acceptance of any appointment as Administrative Agent under the terms of the Credit Agreement by a successor Administrative Agent, that successor Administrative Agent shall thereby also be deemed the successor Collateral Agent and such successor Collateral Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring or removed Collateral Agent under this Agreement, and the retiring or removed Collateral Agent under this Agreement shall promptly (i) transfer to such successor Collateral Agent all sums, Securities and other items of Collateral held hereunder, together with all records and other documents necessary or appropriate in connection with the performance of the duties of the

successor Collateral Agent under this Agreement, and (ii) execute and deliver to such successor Collateral Agent such amendments to financing statements, and take such other actions, as may be necessary or appropriate in connection with the assignment to such successor Collateral Agent of the security interests created hereunder, whereupon such retiring or removed Collateral Agent shall be discharged from its duties and obligations under this Agreement. After any retiring or removed Collateral Agent's resignation or removal hereunder as the Collateral Agent, the provisions of this Agreement 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 hereunder.

SECTION 9. CONTINUING SECURITY INTEREST; TRANSFER OF LOANS.

This Agreement shall create a continuing security interest in the Collateral and shall remain in full force and effect until the payment in full of all Secured Obligations, the cancellation or termination of the Revolving Commitments and the cancellation or expiration of all outstanding Letters of Credit, be binding upon each Grantor, its successors and assigns, and inure, together with the rights and remedies of the Collateral Agent hereunder, to the benefit of the Collateral Agent and its successors, transferees and assigns. Without limiting the generality of the foregoing, but subject to the terms of the Credit Agreement, any Lender may assign or otherwise transfer any Loans or Revolving Commitments held by it to any other Person, and such other Person shall thereupon become vested with all the benefits in respect thereof granted to Lenders herein or otherwise. Upon the payment in full of all Secured Obligations, the cancellation or termination of the Revolving Commitments and the cancellation or expiration of all outstanding Letters of Credit, the security interest granted hereby shall terminate hereunder and of record and all rights to the Collateral shall revert to Grantors. Upon any such termination the Collateral Agent shall, at Grantors' expense, execute and deliver to Grantors such documents as Grantors shall reasonably request to evidence such termination.

SECTION 10. STANDARD OF CARE; COLLATERAL AGENT MAY PERFORM.

The powers conferred on the Collateral Agent hereunder are solely to protect its interest in the Collateral and shall not impose any duty upon it to exercise any such powers. Except for the exercise of reasonable care in the custody of any Collateral in its possession and the accounting for moneys actually received by it hereunder, the Collateral Agent shall have no duty as to any Collateral or as to the taking of any necessary steps to preserve rights against prior parties or any other rights pertaining to any Collateral. The Collateral Agent shall be deemed to have exercised reasonable care in the custody and preservation of Collateral in its possession if such Collateral is accorded treatment substantially equal to that which the Collateral Agent accords its own property. Neither the Collateral Agent nor any of its directors, officers, employees or agents shall be liable for failure to demand, collect or realize upon all or any part of the Collateral or for any delay in doing so or shall be under any obligation to sell or otherwise dispose of any Collateral upon the request of any Grantor or otherwise. If any Grantor fails to perform any agreement contained herein, the Collateral Agent may itself perform, or cause performance of, such agreement, and the expenses of the Collateral Agent incurred in connection therewith shall be payable by each Grantor under Section 10.2 of the Credit Agreement.

SECTION 11. MISCELLANEOUS.


Any notice required or permitted to be given under this Agreement shall be given in accordance with Section 10.1 of the Credit Agreement. No failure or delay on the part of the Collateral Agent in the exercise of any power, right or privilege hereunder or under any other

Credit Document shall impair such power, right or privilege or be construed to be a waiver of any default or acquiescence therein, nor shall any single or partial exercise of any such power, right or privilege preclude other or further exercise thereof or of any other power, right or privilege. All rights and remedies existing under this Agreement and the other Credit Documents are cumulative to, and not exclusive of, any rights or remedies otherwise available. In case any provision in or obligation under this Agreement shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby. All covenants hereunder shall be given independent effect so that if a particular action or condition is not permitted by any of such covenants, the fact that it would be permitted by an exception to, or would otherwise be within the limitations of, another covenant shall not avoid the occurrence of a Default or an Event of Default if such action is taken or condition exists. This Agreement shall be binding upon and inure to the benefit of the Collateral Agent and Grantors and their respective successors and assigns. No Grantor shall, without the prior written consent of the Collateral Agent given in accordance with the Credit Agreement, assign any right, duty or obligation hereunder. This Agreement and the other Credit Documents embody the entire agreement and understanding between Grantors and the Collateral Agent and supersede all prior agreements and understandings between such parties relating to the subject matter hereof and thereof. Accordingly, the Credit Documents may not be contradicted by evidence of prior, contemporaneous or subsequent oral agreements of the parties. There are no unwritten oral agreements between the parties. This Agreement may be executed in one or more counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument; signature pages may be detached from multiple separate counterparts and attached to a single counterpart so that all signature pages are physically attached to the same document.


THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO ITS CONFLICTS OF LAW PROVISIONS (OTHER THAN SECTION 5-1401 AND SECTION 5-1402 OF THE NEW YORK GENERAL OBLIGATION LAWS).

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


AMSCAN HOLDINGS, INC.

By: 
Name: James M. Harrison
Title: President


AMSCAN INC.

By: 
Name: James M. Harrison
Title: Executive Vice President

SSY REALTY CORP.

By: 
Name: Michael A. Correale
Title: Assistant Treasurer

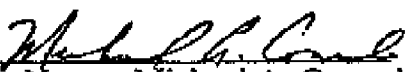
JCS REALTY CORP.

By: 
Name: Michael A. Correale
Title: Assistant Treasurer

AM-SOURCE, LLC

By: 
Name: Michael A. Correale
Title: Assistant Treasurer

TRISAR, INC.

By: 
Name: Michael A. Correale
Title: Assistant Treasurer

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ANAGRAM INTERNATIONAL, INC.

By: Michael A. Correale
Name: Michael A. Correale
Title: Vice President

**ANAGRAM INTERNATIONAL
HOLDINGS, INC.**

By: Michael A. Correale
Name: Michael A. Correale
Title: Vice President

ANAGRAM INTERNATIONAL, LLC

By: Michael A. Correale
Name: Michael A. Correale
Title: Manager

**ANAGRAM EDEN PRAIRIE
PROPERTY HOLDINGS, LLC**

By: **Amscan Holdings, Inc.**
Sole Member

By: Michael A. Correale
Name: Michael A. Correale
Title: Vice President

M&D BALLOONS, INC.

By: Michael A. Correale
Name: Michael A. Correale
Title: Vice President

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**GENERAL ELECTRIC CAPITAL
CORPORATION,**
as Collateral Agent

By: _____



Name: Laurent Paris, SVP
Title: Duly Authorized Signatory

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SCHEDULE 4.1
TO PLEDGE AND SECURITY AGREEMENT

GENERAL INFORMATION

(A) Full Legal Name, Type of Organization, Jurisdiction of Organization, Chief Executive Office/Sole Place of Business (or Residence if Grantor is a Natural Person) and Organizational Identification Number of each Grantor:

<u>Full Legal Name</u>	<u>Type of Organization</u>	<u>Jurisdiction of Organization</u>	<u>Chief Executive Office/Sole Place of Business (or Residence if Grantor is a Natural Person)</u>	<u>Organization I.D.#</u>
AMSCAN HOLDINGS, INC. (AHT)	Corporation	Delaware	80 Grasslands Road Elmsford, New York 10523	2666-194
AMSCAN INC. (AMSCAN)	Corporation	New York	80 Grasslands Road Elmsford, New York 10523	None
SSY REALTY CORP. (SSY)	Corporation	New York	80 Grasslands Road Elmsford, New York 10523	None
JCS REALTY CORP. (JCS)	Corporation	New York	80 Grasslands Road Elmsford, New York 10523	None
AM-SOURCE LLC (AM-SOURCE)	Limited Liability Company	Rhode Island	80 Grasslands Road Elmsford, New York 10523	118777
TRISAR, INC. (TRISAR)	Corporation	California	80 Grasslands Road Elmsford, New York 10523	C0963805
M&D BALLOONS, INC. (M&D)	Corporation	Delaware	80 Grasslands Road Elmsford, New York 10523	249-9826
ANAGRAM INTERNATIONAL, INC. (ANAGRAM)	Corporation	Minnesota	80 Grasslands Road Elmsford, New York 10523	22-795
ANAGRAM INTERNATIONAL HOLDINGS, INC. ("AIHT")	Corporation	Minnesota	80 Grasslands Road Elmsford, New York 10523	75-667
ANAGRAM INTERNATIONAL, LLC (AILLC)	Limited Liability Company	Nevada	80 Grasslands Road Elmsford, New York 10523	LLC16548-1994
ANAGRAM EDEN PRAIRIE PROPERTY HOLDINGS, LLC (EDEN)	Limited Liability Company	Delaware	80 Grasslands Road Elmsford, New York 10523	294-0516

SCHEDULE 4.1-1

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(B) Other Names (including any Trade-Name or Fictitious Business Name) under which each Grantor has conducted business for the past five (5) years:

Name of Grantor

Description of Agreement

Deco Paper Products-a division of Amscan (used primarily in Kentucky-formerly a subsidiary name)

Kookaburra-intercompany division

Lumart - d/b/a in New York

CardSmart of Danbury - d/b/a for JCS Realty Corp. in New York and Connecticut

(C) Changes in Name, Jurisdiction of Organization, Chief Executive Office or Sole Place of Business (or Principal Residence if Grantor is a Natural Person) and Corporate Structure within past five (5) years:

Full Legal Name

Trade Name or Fictitious Business Name

6/4/01 Am-Source, Inc. merged into Am-Source LLC

(D) Agreements pursuant to which any Grantor is found as debtor within past five (5) years:

Name of Grantor

Date of Change

Description of Change

NONE

(E) Financing Statements:

<u>Name of Grantor</u>	<u>Filing Jurisdiction(s)</u>
AMSCAN HOLDINGS, INC. (AHI)	Delaware
AMSCAN INC. (AMSCAN)	New York
SSY REALTY CORP. (SSY)	New York
JCS REALTY CORP. (JCS)	New York
AM-SOURCE LLC (AM-SOURCE)	Rhode Island
TRISAR, INC. (TRISAR)	California
M&D BALLOONS, INC. (M&D)	Delaware
ANAGRAM INTERNATIONAL, INC. (ANAGRAM)	Minnesota
ANAGRAM INTERNATIONAL HOLDINGS, INC. ("AIHI")	Minnesota
ANAGRAM INTERNATIONAL, LLC (AILLC)	Nevada
ANAGRAM EDEN PRAIRIE PROPERTY HOLDINGS, LLC (EDEN)	Delaware

SCHEDULE 4.4
TO PLEDGE AND SECURITY AGREEMENT

INVESTMENT RELATED PROPERTY

(A) Pledged Stock:

Grantor	Stock Issuer	Class of Stock	Certificated (Y/N)	Stock Certificate No.	Par Value	No. of Pledged Stock	% of Outstanding Stock of the Stock Issuer
AHI	Amscan	C	Y	12	N.P.	692.84	100%
AHI	Trisar	C	Y	13	N.P.	266.66	100%
AHI	JCS	C	Y	2	N.P.	1	100%
AHI	SSY	C	Y	9	N.P.	200	100%
AHI	Amscan Canada	C	Y	13	\$1.00	1,980	65%
AHI	Amscan Party	Ordinary	Y	18	\$1.00	587	65%
AHI	Amscan UK	Ordinary	Y	21	\$20	189,750	65%
AHI	Amscan UK	Preferred	Y	23	\$1.00	3,300	65%
AHI	Amscan Mexico	Series B	Y	--	--	30	50%
AHI	Amscan Mexico	Series B-1	Y	--	--	1,730	50%
AHI	Svenska	--	--	--	--	990	65%
AHI	Anagram	C	Y	16	\$1.00	9,054	100%
AHI	Anagram	Non Voting Class	Y	SNV	\$1.00	2,040	100%
Anagram	AHI	C	Y	5	\$01	1,000	100%
Anagram	M&D	C	Y	4	-0-	100	100%
AHI	Factory Card Outlet	C	N	--	-0-	1,512,448	--

Pledged LLC Interests:

Grantor	Limited Liability Company	Certificated (Y/N)	Certificate No. (if any)	No. of Pledged Units	% of Outstanding LLC Interests of the Limited Liability Company
AHI	Am-Source	N	N/A	100%	100%
Anagram	ALLC	Y	3	98%	100%
AHI	AILLC	Y	4	2%	100%
AHI	AEPPHLLC	Y	2	100%	100%

Pledged Partnership Interests: NONEPledged Trust Interests: NONEPledged Debt:

Grantor	Issuer	Outstanding Balance	Maturity Balance
AHI	James M. Harrison	\$386,000	1/1/10
AHI	Gerald C. Rittenberg	\$1,529,000	6/15/04
AHI	D. Hartman	\$25,000	1/31/04
AHI	W. Wilkey	\$604,000	3/15/09
AHI	Factory Card Outlet	\$1,142,000	04/06
AHI	Dennecrepe	\$79,000	07/03
AHI	Kepsico	\$425,000	

Securities Account: NONECommodities Accounts: NONEDeposit Accounts: See Annex I¹ Contingent date.

(B)

Name of Grantor	Date of Acquisition	Description of Acquisition
	7/21/98	Lumart, Inc.-acquisition of assets of bridal party favors company
	9/17/98	Anagram International, Inc. and affiliates -- acquisition of 100% stock
	2/20/02	M&D Balloons, Inc. -- acquisition of 100% of stock of balloon manufacturing and distribution company

SCHEDULE 4.2
TO PLEDGE AND SECURITY AGREEMENT

<u>Name of Grantor</u>	<u>Location of Equipment and Inventory</u>
(AHL, Amscan)	80 Grasslands Road Elmsford, New York 10523
(AHL, Amscan)	100 Grasslands Road Elmsford, New York 10523
(Amscan)	2 Commerce Drive Harriman, New York 10926
(AM-Source)	261 Narragansett Industrial Park Dr. Providence, Rhode Island 02882
(Amscan d/b/a DecoPaper Products)	4004 and 4006 Collins Lane Louisville, Kentucky 40245
(Amscan)	3 Enterprise Drive Newburgh, New York 12550
(Amscan)	54 Jeanne Drive Newburgh, New York 12550
(Anagram)	7700 Anagram Drive Eden Prairie, Minnesota 55344
(Amscan)	47 Elizabeth Drive Chester, New York 10918
(Amscan)	32 Leone Lane Chester, New York 10918
(Amscan)	3 Police Drive Goshen, New York 10924
(Amscan, Trisar)	804 West Town & Country Road Orange, California
(Anagram)	9625-9675 76th Street West #180 Eden Prairie, Minnesota 55344
(Anagram)	1010 Park Road Chanhassen, Minnesota 55317
(M&D)	1137 East 5000 North Road Bourbonnais, Illinois 60914

SCHEDULE 4.2-1

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PATENT
REEL: 013392 FRAME: 0787

<u>Name of Grantor</u>	<u>Location of Equipment and Inventory</u>
(JCS d/b/a Card\$mart of Danbury)	72 Newtown Road Nutmeg Square Shopping Center Danbury, Connecticut
(M&D)	837 Redwood Avenue Manteno, Illinois 60950
(Amscan)	2050 Stemmons Freeway Suite 271 Dallas, Texas 75207
(Amscan)	250 Spring Street Suite 112, 14 th Floor Atlanta, Georgia 30303
(Amscan)	840 Broadway Newburgh, New York 12250 (expired lease)
(Amscan)	130 West 30th Street New York, New York 10001 (expired lease)
(AHI, Amscan)	2 Macy Drive Harrison, New York 10528 (former headquarters property sold)
(M&D)	625-629 Grove Street Manteno, Illinois 60950 (expired lease)
(M&D)	711 Grove Street Manteno, Illinois 60950 (expired lease)
(Trisar, Amscan)	121 Old Springs Road Anaheim Hills, California 92807 (expired lease)
(Trisar, Amscan)	28381 Vincent Moraga Boulevard Temecula, California 92590 (expired lease)
(Amscan)	1307 Green Avenue Brooklyn, New York 11237 (expired lease)

SCHEDULE 4.2-2

Name of GrantorLocation of Equipment and Inventory

(Trisar, Amscan)

28401 Rancho California Road
Temecula, California 92590
(expired lease)

(Amscan)

65 Jeanne Drive
Newburgh, New York 12550
(expired lease)Warehousemen & Bailees

Poore Bros. Storage Facility

4710 West Camelback
Glendale, Arizona 85301

(state prison assembly and packaging)

1110 Lenden Lane
Fairvault, Minnesota

04/02/2023 13:40 SKADDEN ARPS → 917033065995244130

NO. 095 0056

12/30/2002 15:59 SKADDEN ARPS → 919177775145P244130

NO. 820 010

SCHEDULE 4.5
TO PLEDGE AND SECURITY AGREEMENT

Name of Grantor

Description of Material Contract

NONE

SCHEDULE 4.5-1

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PATENT
REEL: 013392 FRAME: 0790

SCHEDULE 4.6
TO PLEDGE AND SECURITY AGREEMENT

Name of Grantor

Description of Letters of Credit

NONE

**SCHEDULE 4.7
TO PLEDGE AND SECURITY AGREEMENT**

INTELLECTUAL PROPERTY

- (A) Copyrights – See Annex II
- (B) Copyright Licenses – No Material Licenses
- (C) Patents – See Annex II
- (D) Patent Licenses – No Material Licenses
- (E) Trademarks – See Annex II
- (F) Trademark Licenses – No Material Licenses
- (G) Trade Secret Licenses – No Material Licenses

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NO.095 0059
NO.820 013

ANNEX I

TYPE OF ACCOUNT Average Balance ACCOUNT NUMBER

CHASE MANHATTAN BANK
Charles J. Fogarty
100 Corporate Park
White Plains, NY 10604
(914) 963-3300
(914) 963-3322 (fx)

AMSCAN HOLDINGS, INC.
80 GRASSLANDS ROAD
ELMSFORD, NY 10523

CHECKING-GENERAL

Less than \$1,000

XXXXXXXXXX

AMSCAN INC.
80 GRASSLANDS ROAD
ELMSFORD, NY 10523

CHECKING-GENERAL
MAIN OPERATING ACCOUNT

Revolving

XXXXXXXXXX

AMSCAN INC.
80 GRASSLANDS ROAD
ELMSFORD, NY 10523

PAYROLL

-0- balance
Rows in XXXXXXXXXXXXX

XXXXXXXXXX

AMSCAN INC.
80 GRASSLANDS ROAD
ELMSFORD, NY 10523

CONTROLLED DISBURSEMENT

-0- balance
Rows in XXXXXXXXXXXXX
Opened 10/9/02

XXXXXXXXXX

AMSCAN INC.
80 GRASSLANDS ROAD
ELMSFORD, NY 10523

CONTROLLED DISBURSEMENT

-0- balance
Rows in XXXXXXXXXXXXX

XXXXXXXXXX

AMSCAN INC.
KOKKABURRA USA

CONTROLLED DISBURSEMENT

-0- balance
Rows in XXXXXXXXXXXXX

XXXXXXXXXX

AMSCAN INC.
DECO PAPER PRODUCTS

LOCKBOX # 28172

-0- balance
Rows in XXXXXXXXXXXXX

XXXXXXXXXX

AMSCAN INC.
DECO PAPER PRODUCTS

CONTROLLED DISBURSEMENT

-0- balance
Rows in XXXXXXXXXXXXX

XXXXXXXXXX

AMSCAN INC.
DECO PAPER PRODUCTS

CONTROLLED DISBURSEMENT
for claims

-0- balance
Rows in XXXXXXXXXXXXX

XXXXXXXXXX

TRIMAR, INC.

CONTROLLED DISBURSEMENT

-0- balance
Rows in XXXXXXXXXXXXX

XXXXXXXXXX

AMSCAN INC.
SUN 1000 CHASE MANHATTAN BANKS, LLC
P. O. Box 407080
FL 33400
800/228-7843

CREDIT CARD PROCESSING

-0- balance
Rows in XXXXXXXXXXXXX

XXXXXXXXXX

AM-SOURCE, INC.
201 HARRISMANBETT PARK DR.
EAST PROVIDENCE, RI 02918

CONTROLLED DISBURSEMENT

-0- balance
Rows in XXXXXXXXXXXXX

XXXXXXXXXX

AM-SOURCE, INC.
GENERAL POST OFFICE
P.O. BOX 28130
NEW YORK, NY 10007-0130

LOCKBOX #28130

-0- balance
Rows in XXXXXXXXXXXXX

XXXXXXXXXX

JES REALTY CORP.
CO: AMSCAN INC.
80 GRASSLANDS ROAD
ELMSFORD, NY 10523

CHECKING-GENERAL

\$- balance
drawn by [redacted] n/a

[redacted]

ELLENVILLE NATIONAL BANK
Jenny Greenwood
68 Brookside Ave., Suite 254
Chenango, NY 13013
(814) 463-3255

AMSCAN INC.
80 GRASSLANDS ROAD
ELMSFORD, NY 10523

CERTIFICATE OF DEPOSIT
\$5,000
(Chenango Employees Payroll
check cashing Services)

[redacted]

FLEET BANK
Not Pk
244 Westchester Avenue
White Plains, NY 10604
(914) 981-5022
(914) 981-6843 fax

AMSCAN INC.
80 GRASSLANDS ROAD
ELMSFORD, NY 10523

GENERAL-CHECKING
(Newburgh Employees Payroll
check cashing Services)

\$1,700

[redacted]

MARRIOTT TRUST AND SAVINGS BANK
Ken Chynoweth
111 E. LaSalle St., 13th Floor
Chicago, IL 60602
(312) 461-4981
(312) 643-3030 fax

AMSCAN INC.
80 GRASSLANDS RD
ELMSFORD, NY 10523

LOCKBOX
MAIN LOCKBOX INC
FOR AMSCAN INC.

write
deposited on lockbox
receipt received

[redacted]

AMSCAN DISTRIBUTORS
(CANADA) LTD.
16168 TRANSCANADENNE
KIRKLAND, QUEBEC H3J 3K1

CANADIAN \$ ACCOUNT
U.S. ACCOUNT

\$543.44

[redacted]

REVOLVING CREDIT LINE
(\$25000 available)

KEY BANK
Richard M. Kubiak
Key Bank Plaza, One Washington Center
White Plains, NY 10604
(914) 462-8120
(914) 462-2530 fax

AMSCAN INC.
80 GRASSLANDS ROAD
ELMSFORD, NY 10523

CHECKING-GENERAL
(Chenango Petty Cash)

\$2,000 (amt)

[redacted]

AMSCAN INC.
80 GRASSLANDS ROAD
ELMSFORD, NY 10523

CERTIFICATE OF DEPOSIT
\$10,000
(Chenango Employees Payroll
check cashing Services)

\$10,000
91 year and we request
any interest earned
be sent to office
and certificate returned

[redacted]

2/2023 13:40 SKADDEN ARPS → 917033065995244130
12/30/2002 15:59 SKADDEN ARPS → 919177775145P244130

NO. 095 0061
NO. 820 015

at \$10,000

U.S. BANK NATIONAL ASSOCIATION
Jan Jansen
First Bank Place
120 South Sixth Street
Minneapolis, MN 55408
(612) 677-1733

Anagram International Inc.
Anagram International Inc.
Anagram International Inc.
Anagram Int'l Holdings, Inc.
Anagram International Inc.

General Checking
Controlled Disb
Inst A/C - for spending holding acct
Daily Operating-Payroll for Michigan
Money Market A/C

Between \$25K and \$10K
None into ~~XXXXXXXXXX~~
Between \$4K and \$10K
Between \$5K and \$10K
Use only once or twice year



REVOLVING LINE OF CREDIT
(\$1.0 mm)

Bank of Montreal
274 Broadway Street
Orangeville, Ontario L9W 4S4
Canada

Anagram Holdings, Inc.

General Operating-Canadian pur

CF4K



U.S. BANK NATIONAL ASSOCIATION
Jan Jansen
First Bank Place
120 South Sixth Street
Minneapolis, MN 55408
(612) 677-1733

M&D Balloons

General Checking

\$25K per day



HomeStar Bank

3 Silvercreek Drive
Franklin, IL 60030

M&D Balloons

Commercial Checking-Petty Cash

\$500.00 per day

can hold more than \$10K a day



National City Bank

P. O. Box 8758
Cleveland, OH 44101

M&D Balloons

Commercial Checking-current acc

\$370,000 per day

can hold more than \$10K a day



National City Bank

P. O. Box 9043
Royal Oak, MI 48063

M&B Bank

Commercial Checking
new a/c not in SVS yet

withdrawal at 11:02
can hold more than \$100 a day

BARCLAYS BANK PLC
AMSCAN (UK) LTD.

REVOLVING CREDIT LINE
(GBP50,000 Available)

WELLS FARGO BANK
Fully Titled
5425 E. Verde and Canyon Road
Anthem Hills, CA 92007
Ph. 9714-283-2000
Fax 9714-283-2000

TRIMARK, INC.
104 W. Town & Country Road
Orange, CA 92666

Payroll and Disbursements
department a/c for Mexico

AMERICAN AIR PACIFIC
31 FREEMAN STREET
AUSTRALIA 3001

CHECKING

WESTPAC

2/2023 13:40 SKADDEN ARPS → 917033065995244130
 12/30/2002 15:59 SKADDEN ARPS → 919177775145P244130

NO. 095 P063
 NO. 820 P17

Cash Bank Accounts over \$10k:

TYPE OF ACCOUNT	Average Balance	ACCOUNT NUMBER
CHASE MANHATTAN BANK Charles Fagghini 100 Corporate Park White Plains, NY 10604 (914) 493-3283 (914) 493-3227 (x)		
AMERICAN INC. 80 GRASSLANDS ROAD ELMSFORD, NY 10523	CHECKING-GENERAL MAIN OPERATING ACCOUNT	\$250,000
HARRIS TRUST AND SAVINGS BANK Evan Pichay 118 E. LaSalle St., 13th Floor Chicago, IL 60603 (312) 461-6301 (312) 466-6638 (x)		
AMERICAN INC. 80 GRASSLANDS RD ELMSFORD, NY 10523	LOCKBOX MAIN LOCKBOX A/C FOR AMERICAN INC.	varies depends on lockbox receipts received
AMERICAN INC. 80 GRASSLANDS ROAD ELMSFORD, NY 10523	CERTIFICATE OF DEPOSIT \$10,000 (Chester Employees Payroll check saving Savings)	\$10,000 at year end we require any interest earned be paid to either and deposited or consumed at \$10,000
U.S. BANK NATIONAL ASSOCIATION Jan Jensen First Bank Plaza 129 South 20th Street Minneapolis, MN 55459 (612) 637-1733	General Checking Controlled Disb. incl A/C - has spending holding account Gen Operating-Payroll for Multiple Money Market A/C	Between \$22k and \$10k does into [redacted] Between \$6k and \$10k Between \$5k and \$10k we only once or twice a year
U.S. BANK NATIONAL ASSOCIATION Jan Jensen First Bank Plaza 129 South 20th Street Minneapolis, MN 55459 (612) 637-1733	General Checking	\$25k per day
HomeStar Bank 3 Overstock Drive Raritan, NJ 08869	Commercial Checking Petty Cash	\$500.00 per day can hold more than \$10k a day
National City Bank P. O. Box 8744 Cleveland, OH 44144	Commercial Checking-current a/c	\$320,000 per day can hold more than \$10k a day
National City Bank P. O. Box 8649 Riverside, OH 45408	Commercial Checking new a/c not in use yet	unknown at 11/02 can hold more than \$10k a day
WELLS FARGO BANK Sally Turello 4374 E. Burke Ave Clayton Road Ann Arbor, MI 48107 Ph: 734-212-2000 Fax: 734-212-2000		
TRIMAR, INC. 204 W. Town & Country Road Orange, CA 92665	Payroll and Disbursements Disbursement, etc for Mission	

Anagram International, US Patents

ANNEX II

Anagram Held Patents

4,917,646, Self Sealing Valve
5,108,339, Non-Latex Inflatable Toy- Insider
5,169,353, Mechanism and Method for Interlocking Two Non-Latex Balloons
5,259,805, Stabilized Appendage for a Novelty Balloon Product (bionic arms/legs)
5,188,558, Self-Sealing Refillable Plastic Balloon Valve
5,338,243, 3-Dimensional Non Latex Balloon -Panormic
5,713,777 Inflatable Hand Puppet
5,819,448 Card and Balloon Novelty Device (Balloon Expressions - Card w/ Mini Balloon)
6,076,758 Balloon Weight
D414,222, hook and reel balloon weight
D415,841 hook and reel balloon weight

Non-Latex Inflatable Mask (abandoned) 08/675,381

registered TM's

Trademark Registration:			"Anagram"		
	Registered				
Country	On	No.	By	App.No.	Renewal Date
Argentina	1/5/96	1,587,257	Berntsen	1,968,498	1/5/06
Australia	3/24/94	A625,755	Waters		3/24/01
Benelux	12/23/92	524466	Brooks	790755	12/23/02
Brazil	4/9/96		Berntsen	818422920	(published)
China	5/7/97	998122	Berntsen		** 5/6/07
European Community	8/1/96	000294686	Brooks	000294686	8/1/06
France	8/27/93	93/481,687	Brooks	93/481,687	8/26/03
Germany	11/8/93	2 091 190	Brooks	A 55 763/28	11/8/03
India	10/27/95		Berntsen	684826	application file
Israel	8/17/98	121739	c/o Brooks	121739	8/14/05
Italy	3/4/94	T094C000503	Brooks	T094C000503	3/4/04
Madrid Agreement	8/14/98	698035	Brooks		8/14/08
Mexico	4/29/99	607582	Berntsen	218,791	11/30/04
Mexico - rainbow	6/30/98	580379	Berntsen		proof of use to
Russia	6/20/05	162551	Berntsen		
South Africa	9/5/95	95/11806	Garlicke	95/11805-7	9/6/05
Spain	4/10/91	1,628,560	Brooks	1,628,560	4/10/06
United Kingdom	4/10/92	1497069	Brooks	1497069	4/10/09
United States	7/18/95	1,905,750	Berntsen	74/457,658	7/17/05
United States	4/15/97	2,052,522	Berntsen		
** application process to start during Q4 99					
Trademark Registration:			[rainbow]		
United States	4/15/97	2,052,521	Berntsen		
Trademark Registration:			"Magic Wrap"		
United States	9/13/94	1,854,180	Berntsen		
Trademark Registration:			"Airwalkers"		
United States	4/4/89	1,533,437	Berntsen		
European Community covers these countries already trademarked:					
			United Kingdom		Germany
			Page 1 Benelux		Italy

unregistered TM's

<u>Marks Searched</u>	Trademark Research Reports	
	<u>Date *</u>	<u>Goods/Service</u>
	Marks used	
Balloon Blooms	Dec-96 Balloons	
Balloon Expressions	Jun-91 Balloons	
Candy Cones	Jan-96 Games, Toys, Sporting Goods; Food Products; Gift Items	
Cuddlekings	Sep-97 Balloons and Toys	
Festival	Dec-94 Balloons	
Floatographs (suppliment)	Apr-96 Balloons, non Latex	
Flower Friends	Mar-97 Balloons and Toys	
Funny Fruits	Mar-97 Balloons and Toys	
Hi-Lites Balloon Bubbles	Feb-90 Balloons	
Insiders Balloon Doubles	Nov-89 Balloons	
Just for You	Jun-89 Personalized Balloons	
Love You Bunches	Jul-97 Balloons and Toys	
MagicArch	Feb-97	
Magicolor	Jul-94 Balloons	report not in file
Pillow Talk	Aug-93 Balloons	
Santa&Co. Bouquet	May-97 Toys and Balloons	
Super Shapes	Mar-97 Balloons	
The Garden Gang	Mar-97 Balloons and Toys	

* Date search was done prior to first use of TM

**SCHEDULE I
TO
SUBSIDIARY PATENT AND TRADEMARK SECURITY AGREEMENT**

Trademarks:

REGISTERED TRADEMARKS

<u>Name</u>	<u>Owner</u>	<u>App. #</u>	<u>Status</u>	<u>Classes</u>	<u>Goods/Services</u>
BALLOON SWEETS	M&D Balloons, Inc.	76/269750	Pending	30	Candy, namely candy-filled container with balloon attachment
DYNAFLOAT	M&D Balloons, Inc.	76/230811	Pending	28	Toy Balloons
MAKING THE WORLD A HAPPIER PLACE	Balloon Zone Wholesale, Inc.	74/583716	Registered	28	Full line of balloons
SQUEEZEE BALLOONS	M&D Balloons, Inc.	76/058444	Allowed	28	Balloons

SCHEDULE II TO SUBSIDIARY PATENT AND TRADEMARK SECURITY AGREEMENT

Patents Issued and Pending:

COMPANY PATENT HOLDINGS:

File #	Inventor(s)	Patent No. (App Ser. No.)	Issue Date (Filing Date)	Title	Maintenance Fee Due Dates/Comments
51423	McGrath et al.	5,248,275	9/28/93	Balloon With Flat Film Valve ("Bag Balloon")	9/28/2004 - 3/28/2004
54477	McGrath	5,378,299	1/3/95	Method of Making Balloon With Flat Film Valve	1/3/2002 - 7/3/2002
54664	Becker	5,482,492	1/9/96	Improved Balloon & Balloon Valves ("Pokeless")	1/9/2003 - 7/9/2003
55355	Becker	5,378,186	1/3/95	Balloon Assembly ("Pluto With Collar") Tap Dancer	1/3/2002 - 7/3/2002
56556	Harris	5,514,022	5/7/96	Toy Balloon Packaging ("OnePac Variation")	5/7/2003 - 11/7/2003
57420	Kurtz	5,779,614	7/14/98	Method And Apparatus For Folding Toy Balloons ("Balloon Folder")	7/14/2005 - 1/14/2006
57421	Kurtz	5,857,636	1/12/99	Method and Apparatus For Providing Securement For Toy Balloons ("Ribbon Attachment")	1/12/2002 - 7/12/2002
58122	Becker	5,595,521	1/21/97	Improved Balloons & Balloon Valves ("Pokeless w/alternative claims") (Continuation of 54664)	1/21/2004 - 7/21/2004
58195	Knight	5,733,406	3/31/98	Manufacture of Valves For Inflatable Articles	3/31/2005 - 9/31/2005
59698	Harris	5,797,783	8/25/98	Toy Balloon Packaging ("OnePac variations - counterweight assemblies") (FVC of File 54489)	8/25/2005 - 2/25/2006
60866	Kurtz	5,806,165	9/15/98	Method and Apparatus For Providing Securement For Toy Balloons (Division of File 57421)	9/15/2005 - 3/15/2006
68400	Van Dyke et al.	(10/015,441)	(12/31/01)	Improved Buoyant Balloons	Awaiting Examination
68709	Ward et al.	(09/655,947)	(9/6/00)	Buoyant Toy Balloon with Extended Life	Awaiting Examination
68710	Van Dyke et al.	(09,654,408)	(9/1/00)	Buoyant Toy Balloon with Three Dimensional Shape	ABANDONED
72024	Ward et al.	(10,015,977)	(12/31/01)	Extended Life Balloon (CIP of 68709)	Awaiting Examination

trademark.wk3

AMSCAN, INC.
TRADEMARKS - SCHEDULE

Description	Registered In	Registration/ Application		Class of Goods	Term		Renewed new term	Renewals	Comments
		Number	QIR		From	To			
NAMES & DESIGNS									
BEARY CHRISTMAS	U.S.	1,455,502	O	22	31-Aug-83	31-Aug-03		No - Let Expire	
TEDDY & BETTY BEAR-LY BEAR TIDBITS	U.S.	1,446,363	O	20 (50)	23-Nov-83	26-Nov-03		No - Let Expire	
TEDDY & BETTY BEAR-LY BEARS	U.S.	1,446,367	O	21 (30,50)	23-Nov-83	26-Nov-03		No - Let Expire	
BOOOOLOONS	U.S.	1,529,831	O	28 (22,50)	13-Mar-85	13-Mar-05		Cancelled	
STUDIO ART & DESIGN	U.S.	1,866,660	O		6-Dec-94	6-Dec-04			Must send letter in 1995 confirming continued use or will be terminated
:: TRENDSETTER NAME/LOGO									
U.S. TREND SETTERS	U.S.	1,670,058	O	8, 16, 21	31-Dec-91	31-Dec-01	31-Dec-11	Yes-10 years	1st renewal accepted 10/16/01
U.S. TREND SETTERS	U.S.	1,833,020	O	2,22,37,38, 50,16,28	26-Apr-94	26-Apr-04		Yes-10 years	
U.S. TREND SETTERS	U.S.	74/328,368	26		11/03/92			Yes-15 years	
CDA TREND SETTERS	CANADA	417113	O		09/17/93	09/17/08			
TREND SETTERS	ITALY	412808	O	16, 21, 28	10-Jan-93	10-Jan-03		Yes-10 years	Darby & Darby working on renewal
TREND SETTERS	Australia	632,030	O	16, 21	10-Jun-94	10-Jun-04		Yes-10 years	
TREND SETTERS	Mexico	478703	O	16	11/04/94	09/13/04		Yes-10 years	Renewal w/ six mos of exp date
TREND SETTERS	Mexico	478697	O	28	11/04/94	09/13/04		Yes-10 years	Renewal w/ six mos of exp date

trademark.wk3

AMSCAN, INC.

TRADEMARKS - SCHEDULE

Description	Registered In	Application Number	Class of Goods	Term From	To	Renewed new term	Renewals	Comments
TREND SETTERS	Mexico	478698	O	21	11/04/94	09/13/04	Yes-10 years	Renewal will six mos of exp date
AMSCAN NAME/LOGOTYPE								
AMSCAN	Australia	A385981	R	28	10-Jan-90	10-Jan-04	Yes-14 years	
AMSCAN	Australia	A385982	R	21	10-Jan-90	10-Jan-04	Yes-14 years	
AMSCAN	Australia	A385983	R	16	10-Jan-90	10-Jan-04	Yes-14 years	
AMSCAN	Argentina	1501149	O	16	01/31/94	01/31/04	Yes-10 years	
AMSCAN	Argentina	1501150	O	21	01/31/94	01/31/04	Yes-10 years	
AMSCAN	Bolivia	58460-C	O	16	04/21/95	04/21/05	Yes-10 years	Renew will 3 mos of exp date
AMSCAN	Bolivia	58461-C	O	21	04/21/95	04/21/05	Yes-10 years	Renew will 3 mos of exp date
AMSCAN	Bolivia	85873-C	O	16	04/03/02	04/03/12	Yes-10 years	Renew will 3 mos of exp date
AMSCAN	Bolivia	85873-C	O	21	04/03/02	04/03/12	Yes-10 years	Renew will 3 mos of exp date
AMSCAN	Brazil	817316841	O	16	11/29/94	11/29/04	Yes-10 years	Renewal filed during YE 11/29/04
AMSCAN	Brazil	817160078	O	20	11/15/94	11/15/04	Yes-10 years	Renewal filed during YE 11/15/04
AMSCAN	Brazil	817160086	O	24	01/24/95	01/24/05	Yes-10 years	Renewal filed during YE 1/24/05
AMSCAN	Chile	414,850	O	16,21	21-Oct-93	21-Oct-03	Yes-10 years	
AMSCAN	Chile	371,565	O	28	28-Jan-00	28-Jan-01	Yes-10 years	
AMSCAN	Colombia	154,594	O	21	31-Jan-94	31-Jan-04	Yes-10 years	
AMSCAN	Colombia	157,169	O	16	31-Jan-94	31-Jan-04	Yes-10 years	
AMSCAN	Ecuador	1364/1365-94	O	16,21	13-Jul-94	13-Jul-04	Yes-10 years	
AMSCAN	El Salvador	2471bro41	O	21	12/16/96	11/16/06	Yes-10 years	
AMSCAN	Costa Rica	84,694	O	21	7-Oct-93	7-Oct-03	Yes-10 years	
AMSCAN		84,106	O	16	10-Nov-93	10-Nov-03	Yes-10 years	

1/1503

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G Yudaia

trademark.wk3

AMSCAN, INC.
TRADEMARKS - SCHEDULE

Description	Registered In	Registration/ Application Number	Class of Goods	From	Term To	Renewed new term	Renewals	Comments
AMSCAN	France	1228745	R 16, 21, & 28	6-Jan-79	7-Jan-03		Yes-10 years	
AMSCAN	Germany	1060163	O 16, 21, & 28 (8, 16, 21, 25, 28)	4-Jan-83	4-Jan-13		Yes-10 years	renewed for additional 10 years
AMSCAN	Guatemala	77665	O 16	04/08/96	04/08/06		Yes-10 years	
AMSCAN	Guatemala	78682	O 21	04/09/96	04/09/06		Yes-10 years	
AMSCAN	Great Britain & N. Ireland	1188255	R 16	7-Jan-86	7-Jan-04		Yes-14 years	
AMSCAN		1188256	R 21	7-Jan-86	7-Jan-04		Yes-14 years	
AMSCAN		1188257	R 28	7-Jan-86	7-Jan-04		Yes-14 years	
AMSCAN	Honduras	58741/58740	O 16, 21	17-Nov-93	17-Nov-03		Yes-10 years	
AMSCAN	Italy	412808	O 16, 21, & 28	10-Jan-83	10-Jan-03		Yes-10 years	give notice 12 mos prior to 1/10/2003
AMSCAN	Japan	2137776	O 19	30-May-99	30-May-09		Yes-10 years	orig date=5/30/89 renewed by n/a
AMSCAN	Nicaragua	24474	O 21	26-Nov-93	25-Nov-03		Yes-10 years	
AMSCAN	Nicaragua	24475	O 16	26-Nov-93	25-Nov-03		Yes-10 years	
AMSCAN	Panama	65468	O 21	24-Aug-94	24-Aug-04		Yes-10 years	
AMSCAN	Paraguay	166724/725	O 16, 21	16-Dec-93	16-Dec-03		Yes-10 years	transferred from graciela conception to amscan
AMSCAN	Paraguay	156.627	28	11-Jun-98				
AMSCAN	Peru	001796	O 16	12-Oct-93	12-Oct-03		Yes-10 years	
AMSCAN	Peru	004553	O 21	29-Dec-94	29-Dec-03		Yes-10 years	
AMSCAN	Uruguay	262547	O 16, 21	28-Feb-94	28-Feb-04		Yes-10 years	
AMSCAN UT 503	U. S.	1146105	O 16, 21, & 28	20-Jan-01 ₃	20-Jan-11		Yes-10 years	renewed/accepted - until 1/20/2011 G. Yudaín

PATENT

REEL: 013392 FRAME: 0805

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AMSCAN, INC.
TRADEMARKS - SCHEDULE

Description	Registered In	Registration/ Application Number	Class of Goods	Term		Renewed new term	Renewals	Comments
				From	To			
AMSCAN	Venezuela	P209129	O 16	1/8/99	1/8/09			backlog in venezuelan trademark office, the actual certificate not expected for at lease another 2 years
			(2, 22, 33,37)					
PERSONAL PAPERS	Venezuela	P209128	O 21	1/8/99	1/8/09			backlog in venezuelan trademark office, the actual certificate not expected for at lease another 2 years
	USA	2273669	O 16	31-Aug-99	31-Aug-09		Yes-10 years	
			Not finalized as yet.					
RAZZLE DAZZLES	USA	76/323,644	O 16	filed 10/10/01				
RAZZLE DAZZLES	USA	78/148,286		filed	7/29/02			
RAZZLE DAZZLES	USA	76/410,270		filed	5/21/02			
CAR ART	USA	78/101,309		filed	1/7/02			
CREATIVE CORNER	USA	78/101,509		filed	1/8/02			

NOTES:

O-Original

R-Renewal

Class 8 - Plastic cutlery; namely, forks, knives and spoons

Class 16 (US Class 37) - Paper Party goods--Napkins, towels, invitations, dollies,table covers, decorations, wrapping paper.

Class 21 (US Class 2,30,33,50) - Articles Made of Plastic-Mugs, glasses, party picks, stirrers, cutlery, plates & cups.

Class 28 (US Class 22) - Party Favours -Noisemakers, trinkets. toys and ornaments and christmas tree decorations.

1/15/03

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Am-Source Trademarks

		<u>Registration</u>	<u>Registration Date</u>
Festive Occasion	US	1,359,262	9/10/85
Elegant Touch	US	1,495,148	7/5/88
Crystal Glaze	US	1,495,147	7/5/88
Great Shapes	US	1,527,832	3/7/89

Trisar Trademarks

		<u>Registration #</u>	<u>Registration Date</u>
Get Personal !	US	1,983,829	7/2/96
Recycled Teenager	US	1,933,333	11/7/95
Greeting Balloons	US	1,595,867	5/8/90

patents

PATENTS - SCHEDULE

Description	Registered In	Patent Number	Assignment Number	Reel Number	Date Recorded	Term
NAMES & DESIGNS						
DISPLAY RACK = Assignment to Amscan Inc.			07/ 832755	8006/0845	05-Feb-92	
DISPLAY RACK	U. S.	342844			04-Jan-94	14 years
PLATE - AMSOURCE	U. S.	D337480				
EMBOSSED PLATE - AMSOURCE	U. S.	D339268				

COPYRIGHTING

YEAR PUBLISHED	SEASON	CATEGORY	ENSEMBLE NAME	FED X DATE	CONFIRMATION RECEIVED	COPYRIGHT#
92	Spring	Patriotic	Flag Impressionist	12/8/97		NONE
93	Everyday	Birthday	Balloon Party	12/30/97	5/19/98	VAu 411-723
93	Everyday	Juvenile	Birthday Hearts	12/30/97	5/26/98	VA 887-108
93	Everyday	Juvenile	Magic Slippers	12/30/97	5/26/98	VA 887-109
93	Everyday	Juvenile	Wild West	12/30/97		
93	Everyday	Wedding	Bridal Garden	12/30/97		
93	Spring	Graduation	Graduation Caps	12/8/97	6/1/98	VA 888-410
93	Spring	Graduation	High Honors	12/8/97	6/1/98	VA 888-396
93	Fall/Christ	Autumn	Fall Impressions	12/8/97	4/13/98	VA 850-592
93	Fall/Christ	Christmas	White Poinsettia	12/8/97	6/1/98	VA 888-398
93	Fall/Christ	Christmas	Holiday Bells	12/22/97	5/26/98	VA 887-137
93	Fall/Christ	Hanukkah	Hanukkah Celebration	12/8/97	6/1/98	VA 888-402
94	Everyday	Gen'l	Persian Tapestry	12/30/97		
94	Spring	Religious	Christening Day	12/1/97	4/13/98	VA 850-558
94	Spring	Theme	Nautical	12/1/97	4/13/98	VA 850-555
94	Spring	Theme	Tropical Birds	12/1/97	4/13/98	VA 850-583
94	Fall/Christ	Christmas	Classic Holly	12/8/97	6/1/98	VA 888-404
94	Fall/Christ	Christmas	Royal Poinsettia	12/22/97	5/26/98	VA 887-135
94	Fall/Christ	Football	Quarterback Option	12/22/97	5/26/98	VA 887-118
94	Fall/Christ	Halloween	Harvest Pumpkin	12/22/97	5/26/98	VA 887-121
94	Fall/Christ	Halloween	Ghostly Magic	12/22/97	5/26/98	VA 887-125
94	Fall/Christ	New Year's	New Year Balloons	12/22/97	5/26/98	VA 887-126
94	Fall/Christ	Thanksgiving	Autumn Turkey	12/22/97	5/26/98	VA 887-127
95	Everyday	Aged	Older, Better	12/30/97		
95	Everyday	Birthday	Birthday Cake	12/30/97	5/26/98	VA 887-104
95	Everyday	Birthday	Birthday Time	12/30/97	5/26/98	VA 887-106
95	Everyday	Gen'l	Chili Peppers	12/30/97		
95	Everyday	Gen'l	Sunflowers	12/30/97	4/20/98	VA 850-582
95	Everyday	Juvenile	Speedway	12/30/97	5/26/98	VA 887-110
95	Everyday	Juvenile	Makeover	12/30/97	5/26/98	VA 887-111
95	Everyday	Juvenile	Carnival Clown	12/30/97	6/1/98	VA 887-112
95	Everyday	Sports	Slap Shot			
95	Everyday	Sports	Grand Slam			
95	Everyday	Sports	Slam Dunk			
95	Spring		Summer Celebration	12/1/97	4/13/98	VA 850-554
95	Spring		Sea Life	12/1/97	4/13/98	VA 850-553
95	Spring	Easter	Springtime Bunny	12/8/97	4/13/98	VA 850-587
95	Spring	Graduation	Classic Graduation - Teal	12/8/97	6/1/98	VA 888-411
95	Spring	Graduation	Classic Graduation - Pink	12/8/97	6/1/98	VA 888-405
95	Spring	Luau	Tropical Palm	12/8/97	4/13/98	VA 850-589
95	Spring	Patriotic	American Glory	12/8/97	6/1/98	VA 888-413
95	Spring	Religious	Religious Scroll	12/1/97	4/13/98	VA 850-630
95	Spring	Religious	Judaic Star	12/8/97	4/13/98	VA 850-556
95	Spring	Religious	Religious Scroll	12/1/97		

PATENT

REEL: 013392 FRAME: 0809

95	Spring	St. Pat's	Shamrock's Galore	12/8/97	4/13/98	VA 850-585
95	Spring	Valentine	Valentine Hearts	12/8/97	4/13/98	VA 850-576
95	Fall/Christ	Autumn	Autumn Leaves	12/30/97	6/1/98	VA 887-114
95	Fall/Christ	Autumn	Harvest Wreath	12/22/97	5/26/98	VA 887-117
95	Fall/Christ	Christmas	Christmas Angels	12/22/97		
95	Fall/Christ	Christmas	Holiday Tree	12/22/97	5/26/98	VA 887-130
95	Fall/Christ	Christmas	Season's Greetings	12/22/97		
95	Fall/Christ	Football	First Down	12/22/97	5/26/98	VA 887-119
95	Fall/Christ	Halloween	Classic Pumpkin	12/22/97	5/26/98	VA 887-122
95	Fall/Christ	Hanukkah	Spinning Dreidel	12/8/97	6/1/98	VA 888-400
95	Fall/Christ	Hanukkah	Judaic Star	12/1/97	4/13/98	VA 850-590
95	Fall/Christ	New Year's	New Year's Blowout	12/8/97	6/1/98	VA 888-403
95	Fall/Christ	Thanksgiving	Fall Medley	12/8/97	6/1/98	VA 888-408
6	Everyday		Under the Sea	12/1/97	4/13/98	VA 850-569
6	Everyday		Mis Quince	12/1/97	4/13/98	VA 850-570
6	Everyday	1st Birthday	It's The Big 1 - Girl			
6	Everyday	Baby	Baby Girl			
6	Everyday	Birthday	Whimsical Hearts	12/1/97	4/13/98	VA 850-571
6	Everyday	Birthday	Sweet Sixteen	12/1/97	4/13/98	VA 850-573
6	Everyday	Birthday	16th Birthday Spin	12/1/97	4/13/98	VA 850-572
6	Everyday	Birthday	Birthday Blooms	12/1/97	4/13/98	VA 850-577
6	Everyday	Birthday	Balloons	12/30/97	5/26/98	VA 887-105
6	Everyday	Birthday	Jukebox Rock	12/30/97	5/26/98	VA 887-107
6	Everyday	Gen'l	Bar-B-Que	12/30/97		
6	Everyday	Gen'l	Fresh Fruit	12/30/97		
6	Everyday	Gen'l	Country Meadow	12/30/97		
6	Everyday	Gen'l	Summer Garden	12/30/97		
6	Everyday	Juvenile	Mystical Unicorn	12/8/97	4/13/98	VA 850-568
6	Everyday	Sports	Goal			
6	Everyday	Wedding	Bridal Lily			
6	Spring		Pineapple Paradise	12/1/97	4/13/98	VA 850-564
6	Spring		Graduate of the Year	12/30/97	4/13/98	VA 850-567
6	Spring		Tropical Sun	12/1/97	4/13/98	VA 850-549
6	Spring	Easter	Easter Garden	12/8/97	4/13/98	VA 850-543
6	Spring	Floral	Daffodils	12/1/97	4/13/98	VA 850-559
6	Spring	Floral	Tulips	12/1/97	4/13/98	VA 850-552
6	Spring	Floral	Basket of Berries	12/1/97	4/13/98	VA 850-563
6	Spring	Floral	Spring Blossoms	12/1/97	4/13/98	VA 850-579
6	Spring	Floral	Painted Daisies	12/1/97	4/13/98	VA 850-581
6	Spring	Floral	Brushed Floral	12/1/97		
6	Spring	Floral	Country Meadow	12/1/97	4/13/98	VA 850-580
6	Spring	Graduation	Graduation Party	12/1/97	4/13/98	VA 850-565
6	Spring	Graduation	Graduation Pizazz	12/1/97	4/13/98	VA 850-566
6	Spring	Graduation	Rainbow Graduation	12/8/97	4/13/98	VA 850-545
6	Spring	Graduation	Hats Off Grad	12/8/97	4/13/98	VA 850-546
6	Spring	Religious	Stained Glass - Blue	12/1/97	4/13/98	VA 850-584
6	Spring	Religious	Stained Glass - Pink	12/1/97	4/13/98	VA 850-557
6	Spring	St. Patrick's	Shamrock Celebration	12/1/97	4/13/98	VA 850-551

PATENT

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96	Spring	Summer	Summer Cookout	12/1/97	4/13/98	VA 850-562
96	Spring	Summer	Fresh Fruit	12/1/97	4/13/98	VA 850-631
96	Spring	Summer	Bar-B-Que	12/1/97	4/13/98	VA 850-548
96	Spring	Valentine	Sweet Hearts	12/1/97		
96	Fall/Christ	Autumn	Fall Brilliance	12/1/97		
96	Fall/Christ	Autumn	Royal Fruit Harvest	12/8/97	6/1/98	VA 888-406
96	Fall/Christ	Autumn	Autumn Gourds	12/22/97	5/26/98	VA 887-115
96	Fall/Christ	Autumn	Contemporary Leaves	12/22/97	5/26/98	VA 887-116
96	Fall/Christ	Autumn	Autumn's Bounty	12/22/97	6/1/98	VA 887-113
96	Fall/Christ	Christmas	Tree Trimmings	12/1/97	4/13/98	VA 850-629
96	Fall/Christ	Christmas	Santa's Visit	12/1/97	4/13/98	VA 850-595
96	Fall/Christ	Christmas	Holiday Music	12/1/97	4/13/98	VA 850-576
96	Fall/Christ	Christmas	Warmth of Christmas	12/1/97	4/13/98	VA 850-574
96	Fall/Christ	Christmas	Whimsical Snowman	12/1/97	4/13/98	VA 850-575
96	Fall/Christ	Christmas	Pine Cones And Plaid	12/8/97	6/1/98	VA 888-399
96	Fall/Christ	Christmas	Village Sleigh Ride	12/22/97	5/26/98	VA 887-134
96	Fall/Christ	Christmas	Floral Opulence	12/22/97	6/8/98	VA 887-133
96	Fall/Christ	Christmas	Winter Wreath	12/22/97	6/8/98	VA 887-132
96	Fall/Christ	Christmas	Santa's Workshop	12/22/97	5/26/98	VA 887-136
96	Fall/Christ	Halloween	Halloween Night	12/1/97	4/13/98	VA 850-593
96	Fall/Christ	Halloween	Spook Central	12/8/97	6/1/98	VA 888-409
96	Fall/Christ	Halloween	Skeleton Crew	12/22/97	5/26/98	VA 887-120
96	Fall/Christ	Halloween	Happy Jack	12/22/97	5/26/98	VA 887-124
96	Fall/Christ	Hanukkah	Watercolor Hanukkah	12/8/97	6/1/98	VA 888-401
96	Fall/Christ	New Year's	New Year's Pizazz	12/1/97		
96	Fall/Christ	New Year's	Midnight Fireworks	12/22/97		
96	Fall/Christ	Thanksgiving	Thanksgiving Collage	12/1/97	4/13/98	VA 850-594
96	Fall/Christ	Thanksgiving	Farmland Turkey	12/22/97	5/26/98	VA 887-123
96	Fall/Christ	Christmas	Holly & Ribbon	12/8/97	6/1/98	VA 888-414
7	Everyday		Gardener's Journal	11/21/97		
7	Everyday		Italian Fruit Fresco	11/21/97		
7	Everyday		Seed Packets	11/21/97		
7	Everyday		Coffee or Tea?	11/21/97		
7	Everyday		Fresh Lemons	12/30/97		
7	Everyday		Gingham Check - Blue	11/21/97		
7	Everyday		Gingham Check - Red	11/21/97		
7	Everyday	Baby	Baby Safari	11/21/97		
7	Everyday	Baby	Bedtime Bear	11/21/97		
7	Everyday	Birthday	Birthday Pizazz	11/21/97		
7	Everyday	Birthday	Balloon Party II	11/21/97		
7	Everyday	Birthday	Birthday Bright	11/21/97		
7	Everyday	Birthday	Birthday Party	11/21/97		
7	Everyday	Birthday	Balloons II	11/21/97		
7	Everyday	Floral	Stargazer Lilies	11/21/97		
7	Everyday	Floral	Terracotta Roses	11/21/97		
7	Everyday	Floral	Canvas Garden	11/21/97		
7	Everyday	Juvenile	3 Ring Circus	11/21/97		
7	Everyday	Juvenile	Boot Scootin'	11/21/97		

PATENT

REEL: 013392 FRAME: 0811

97	Everyday	Wedding	Wedding Botanical	11/21/97		
97	Spring	Easter	Painted Eggs	12/1/97	4/13/98	VA 850-550
97	Spring	Easter	Playful Bunnies	12/8/97	4/13/98	VA 850-588
97	Spring	Floral	Sunflowers	12/1/97		
97	Spring	Graduation	Watercolor Graduation	12/8/97	4/13/98	VA 850-586
97	Spring	Patriotic	America	12/8/97	6/1/98	VA 888-412
97	Spring	Religious	Gold Cross	12/1/97	4/13/98	VA 850-560
97	Spring	St. Pat's	Irish Shamrocks	12/8/97	4/13/98	VA 850-547
97	Spring	Summer	Pool Party	12/1/97	4/13/98	VA 850-561
97	Spring	Valentine	Hearts Of Gold	12/8/97	4/13/98	VA 850-544
97	Fall/Christ	Autumn	Citrus Wreath	12/1/97	4/13/98	VA 850-591
On File	Everyday		First Dance			
On File	Everyday	1st Birthday	Fuzzy's First Birthday		N/A	VA-531-638
On File	Everyday	Baby	Baby Blanket		N/A	VA-530-457
On File	Everyday	Birthday	Birthday Express		N/A	VA-702-976
On File	Everyday	Birthday	Happy Birthday		N/A	VA-531-640
On File	Everyday	Juvenile	Princess Carousel		N/A	VA-702-975
On File	Everyday	Juvenile	Airplanes		N/A	VA-530-458
On File	Everyday	Juvenile	Make Up		N/A	VA-530-459
On File	Everyday	Juvenile	Dino Dudes		N/A	VA-530-559
On File	Everyday	Juvenile	Fire Brigade		N/A	VA-531-636
On File	Everyday	Juvenile	Party Clown		N/A	VA-531-637
On File	Everyday	Juvenile	Grand Slam		N/A	VA-531-639
On File	Everyday	Juvenile	Speedway		N/A	VA-702-974
On File	Spring	Valentine	Hanging Heart		N/A	VA-702-977
On File	Fall/Christ	Autumn	Indian Corn	12/30/97	5/19/98	VA-285-056
On File	Fall/Christ	Autumn	Autumn Leaves	12/30/97	5/19/98	VAu 411-726
On File	Fall/Christ	Autumn	Crisp Leaves	12/30/97	5/19/98	VAu 411-722
On File	Fall/Christ	Autumn	Apple Cinnamon Wreath	12/30/97	5/19/98	VAu 411-720
On File	Fall/Christ	Autumn	Scattered Leaves	12/30/97	5/19/98	VAu 411-719
On File	Fall/Christ	Autumn	Gilded Leaves	12/30/97	5/19/98	VAu 411-716
On File	Fall/Christ	Autumn	Autumn Blooms and	12/30/97	5/19/98	VAu 411-715
On File	Fall/Christ	Autumn	Fall Bouquet	12/30/97	5/19/98	VAu 411-714
On File	Fall/Christ	Autumn	Fall Impressions	12/8/97	6/1/98	VAu 411-713
On File	Fall/Christ	Christmas	Blue Snowflakes	12/30/97	5/19/98	VA 888-397
On File	Fall/Christ	Christmas	Snowy Poinsettias	12/30/97	5/19/98	VAu 411-727
On File	Fall/Christ	Christmas	Santa & Cookies	12/30/97	5/19/98	VAu 411-728
On File	Fall/Christ	Christmas	Whimsical Tree	12/30/97	5/19/98	VAu 411-741
On File	Fall/Christ	Christmas	Santa & Reindeer	12/30/97	5/19/98	VAu 411-742
On File	Fall/Christ	Christmas	Christmas Wreath W/	12/30/97	5/19/98	VAu 411-743
On File	Fall/Christ	Christmas	Wreath With Pine Cones	12/30/97	5/19/98	VAu 411-744
On File	Fall/Christ	Christmas	Plate of Christmas Cookies	12/30/97	5/19/98	VAu 411-745
On File	Fall/Christ	Christmas	Frosted Christmas Cookies	12/30/97	5/19/98	VAu 411-746
On File	Fall/Christ	Christmas	Christmas Icons	12/30/97	5/19/98	VAu 411-748
On File	Fall/Christ	Christmas	Jolly Santa	12/30/97	5/19/98	VAu 411-747
On File	Fall/Christ	Christmas	Santa W/ Candy Canes &	12/30/97	5/19/98	VAu 411-749
On File	Fall/Christ	Christmas	Checking His List	12/30/97	5/19/98	VAu 411-751
On File	Fall/Christ	Christmas	Gilded Ornaments	12/30/97	5/19/98	VAu 411-750
On File						VAu 411-753

PP	Fall/Christ	Christmas	Golden Christmas Tree	12/30/97	5/19/98	VAu 411-754
PP	Fall/Christ	Christmas	Painted Autumn Blossoms	12/30/97	5/19/98	VAu 411-755
PP	Fall/Christ	Christmas	Golden Christmas Trim	12/30/97	5/19/98	VAu 411-725
PP	Fall/Christ	Christmas	Fruitful Christmas	12/30/97	5/19/98	VAu 411-718
PP	Fall/Christ	Christmas	Holiday Wreath	12/30/97	5/19/98	VAu 411-717
PP	Fall/Christ	Christmas	Christmas Night	12/30/97	5/19/98	VAu 411-712
PP	Fall/Christ	Christmas	Patchwork Christmas	12/30/97	5/19/98	VAu 411-711
PP	Fall/Christ	Christmas	Ornaments & Poinsettias	12/30/97	5/19/98	VAu 411-710
PP	Fall/Christ	Christmas	Golden Snowflakes	12/30/97	5/19/98	VAu 411-709
PP	Fall/Christ	Football	Interception!	12/30/97		
PP	Fall/Christ	Halloween	Costume Jacks	12/30/97	5/19/98	VAu 411-739
PP	Fall/Christ	Halloween	Halloween Costume Party	12/30/97	5/19/98	VAu 411-738
PP	Fall/Christ	Halloween	Ghostly Glow	12/30/97	5/19/98	VAu 411-737
PP	Fall/Christ	Halloween	Welcome	12/30/97	5/19/98	VAu 411-736
PP	Fall/Christ	Halloween	Mr. Pumpkin	12/30/97	5/19/98	VAu 411-735
PP	Fall/Christ	Halloween	Halloween Jack O'	12/30/97		
PP	Fall/Christ	Halloween	Candy Corn & Jacks	12/30/97	5/19/98	VAu 411-733
PP	Fall/Christ	Halloween	Halloween Creatures	12/30/97	5/19/98	VAu 411-732
PP	Fall/Christ	Halloween	Halloween Candy	12/30/97	5/19/98	VAu 411-731
PP	Fall/Christ	Halloween	Party Pumpkin	12/30/97	5/19/98	VAu 411-730
PP	Fall/Christ	Halloween	Ghostly Night	12/30/97	5/19/98	VAu 411-729
PP	Fall/Christ	Halloween	Exploding Jack	12/30/97	5/19/98	VAu 411-740
PP	Fall/Christ	Halloween	Costume Pumpkin	12/30/97	5/19/98	VAu 411-752
PP	Fall/Christ	Thanksgiving	Autumn Harvest	12/30/97		
PP	Fall/Christ	Thanksgiving	Fall Farm	12/30/97	5/19/98	VAu 411-724
PP	Fall/Christ	Thanksgiving	Cornucopia	12/30/97	5/19/98	VAu 411-721

Copyrights Missing from Amscan Schedule

Name	Registration No.	Publication Date	Registration Date
FIRST DOWN	VA 903-356	12/01/95	03/13/98
SLAP SHOT	VA 903-355	12/01/95	03/13/98
WINTER WREATH	VA 888-407	03/01/96	12/09/97
SPRINGTIME BUNNY	VA 850-587	07/01/95	12/09/97
EVERYDAY 1998	VAu 414-817		12/19/97
CHRISTMAS WREATH WITH BERRIES	VAu 411-744		12/31/97
FALL BOUQUET	VAu 411-713		12/31/97
OPULENCE	VAu 368-016		05/20/96
LOVELY LILIES	VAu 357-219		05/20/96
PRETTY PRIMROSES	VAu 357-218		05/20/96
SPRING DAFFODILS	VAu 357-217		05/20/96
BOUQUET	VAu 357-216		05/20/96
IRISES IN BLOOM	VAu 357-215		05/20/96
GOLDEN HARVEST	VAu 357-214		05/20/96
CLASSIC ROSES	VAu 357-213		05/20/96
FRUIT FRESCO	VA 740-109	05/15/95	06/26/95
GARDEN MOSAIC	VA 740-108	05/15/95	06/26/95
DAISIES AND DAFFODILS	VA 740-107	05/15/95	06/26/95
FRUTTA ITALIANA	VA 740-106	05/15/95	06/26/95
PAINTED PRIMROSES	VA 740-105	05/15/95	06/26/95
FLORAL IMPRESSIONS	VA 740-104	05/15/95	06/26/95
YOU ARE A SPECIAL FRIEND			
PRETTY PETALS	VAu 273-277		09/05/95
TUSCAN FRUIT	VAu 273-276		09/05/95
PAINTED FLOWERS	VAu 273-275		09/05/95
FALLING LEAVES	VAu 273-274		09/05/95
BOLD BLOOMS	VAu 273-273		09/05/95
ISLAND TROPICS	VAu 273-271		09/05/95
LOTUS	VAu 273-270		09/05/95
TRADITIONAL TULIPS	VAu 273-269		09/05/95
LEAVES & NUTS	VAu 273-268		09/05/95
SPICE WREATH	VAu 273-267		09/05/95
FORMAL FRUIT	VAu 273-266		09/05/95
GERBERA DAISIES	VAu 273-265		09/05/95
JOLLY SANTA	VAu 273-264		09/05/95
FLOWER GARDEN	VAu 273-263		09/05/95
BLOOMS & BUTTERFLIES	VAu 273-262		09/05/95
HAPPY BIRTHDAY TO YOU!	VA 702-994	01/01/95	06/01/95
FIRST DOWN	VA 702-991	01/01/95	06/01/95
EXOTIC BLOOM	VA 702-990	01/01/95	06/01/95
PANSIES	VA 702-989	01/01/95	06/01/95

SUMMER HARVEST	VA 702-987	01/01/95	06/01/95
SEA LIFE	VA 702-986	01/01/95	06/01/95
WEDDING CHERUB	VA 702-984	01/01/95	06/01/95
NURSERY TOYS	VA 702-983	01/01/95	06/01/95
MAKEOVER	VA 702-982	01/01/95	06/01/95
HAPPY BIRTHDAY	VA 702-981	01/01/95	06/01/95
SPORTS EXTRA	VA 702-980	01/01/95	06/01/95
CARNIVAL CLOWN	VA 702-979	01/01/95	06/01/95
PARTY GOODS AND DECORATIONS	TX 2133681	03/15/86	08/12/87
AMSCAN	TX 2123949	01/21/87	07/23/87
AMSCAN	TX 2123948	06/17/87	07/23/87
TO A GREAT BOSS	VA 282-761	08/22/87	09/14/87
FOR BABY'S CHRISTENING	VA 285-028	09/08/85	06/12/87
AND HOLDING!	VA 282-762	08/21/87	09/14/87
SORRY	VA 282-760	07/05/87	09/14/87
HUGS 'N' KISSES	VA 282-759	06/15/87	09/14/87
HAPPY SWEETEST DAY	VA 282-758	08/01/87	09/14/87
GET WELL	VA 282-757	07/05/87	09/14/87
THANK YOU!	VA 282-756	07/20/87	09/14/87
CONGRATULATIONS	VA 282-755	06/15/87	09/14/87
HAPPY BIRTHDAY	VA 282-754	06/15/87	09/14/87
MISS YOU	VA 282-753	07/20/87	09/14/87
WELCOME HOME	VA 282-752	06/15/87	09/14/87
MERRY CHRISTMAS	VA 282-751	08/21/87	09/14/87
[THE FLAG]	VA 282-750	06/15/87	09/14/87
THINKING OF YOU	VA 268-886	08/09/85	06/12/87
I WANNA HOLD YOUR HAND	VA 268-885	09/08/95	06/12/87
MAIN MAN	VA 268-884	04/04/85	06/12/87
FELIZ CUMPLEANOS	VA 268-883	06/19/86	06/12/87
HAPPY EASTER	VA 268-882	11/02/85	06/12/87
SECRETARIES ARE WONDERFUL	VA 268-881	11/02/85	06/12/87
BOO	VA 268-880	07/03/85	06/12/87
BEST WISHES	VA 268-879	04/02/85	06/12/87
HAPPY BIRTHDAY	VA 268-878	03/22/86	06/12/87
GOOD LUCK	VA 268-877	12/01/84	06/12/87
HAPPY HALLOWEEN	VA 268-876	08/22/85	06/12/87
[TWO SIDED PUMPKIN]	VA 268-875	08/20/86	06/12/87
HOT AIR BALLOON	VA 268-874	04/04/87	06/12/87
I LOVE YOU	VA 268-873	06/15/86	06/12/87
UNICORN	VA 121-490	07/01/82	12/29/82
HAPPY BIRTHDAY BALLOON	VA 117-499	06/01/82	12/29/82
FLOWER DESIGN	VA 117-498	06/01/82	12/29/82
RAINBOW RIBBON HEART	VA 117-497	06/01/82	12/29/82
SMALL DOLPHIN	VA 117-496	09/01/82	12/29/82
ROSE SHAPED HELIUM BALLOON	VA 595-935	11/30/92	12/07/93

DONNY THE DOLPHIN	VA 224-422	04/16/82	05/06/86
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04/02/2023 13:40 SKADDEN ARPS → 917033065995244130
12/30/2002 15:59 SKADDEN ARPS → 91917775145P244130

NO. 095 0083
NO. 820 033

SCHEDULE 4.8
TO PLEDGE AND SECURITY AGREEMENT

Name of Grantor

Commercial Tort Claims

NONE

EXHIBIT A
TO PLEDGE AND SECURITY AGREEMENT

PLEDGE SUPPLEMENT

This **PLEDGE SUPPLEMENT**, dated [mm/dd/yy], is delivered pursuant to the Pledge and Security Agreement, dated as of [mm/dd/yy] (as it may be from time to time amended, restated, modified or supplemented, the "**Security Agreement**"), among [NAME OF COMPANY], the other Grantors named therein, and [NAME OF COLLATERAL AGENT], as the Collateral Agent. Capitalized terms used herein not otherwise defined herein shall have the meanings ascribed thereto in the Security Agreement.

Grantor hereby confirms the grant to the Collateral Agent set forth in the Security Agreement of, and does hereby grant to the Collateral Agent, a security interest in all of Grantor's right, title and interest in and to all Collateral to secure the Secured Obligations, in each case whether now or hereafter existing or in which Grantor now has or hereafter acquires an interest and wherever the same may be located. Grantor represents and warrants that the attached Supplements to Schedules accurately and completely set forth all additional information required pursuant to the Security Agreement and hereby agrees that such Supplements to Schedules shall constitute part of the Schedules to the Security Agreement.

IN WITNESS WHEREOF, Grantor has caused this Pledge Supplement to be duly executed and delivered by its duly authorized officer as of [mm/dd/yy].

[NAME OF GRANTOR]

By: _____

Name:

Title:

EXHIBIT A-1

SUPPLEMENT TO SCHEDULE 4.1
TO PLEDGE AND SECURITY AGREEMENT

Additional Information:

- (A) Full Legal Name, Type of Organization, Jurisdiction of Organization, Chief Executive Office/Sole Place of Business (or Residence if Grantor is a Natural Person) and Organizational Identification Number of each Grantor:

<u>Legal Name</u>	<u>Type of Organization</u>	<u>Jurisdiction of Organization</u>	<u>Chief Executive Office/Sole Place of Business (or Residence if Grantor is a Natural Person)</u>	<u>Organization I.D.#</u>
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- (B) Other Names (including any Trade-Name or Fictitious Business Name) under which each Grantor has conducted business for the past five (5) years:

<u>Name of Grantor</u>	<u>Description of Agreement</u>
------------------------	---------------------------------

- (C) Changes in Name, Jurisdiction of Organization, Chief Executive Office or Sole Place of Business (or Principal Residence if Grantor is a Natural Person) and Corporate Structure within past five (5) years:

<u>Full Legal Name</u>	<u>Trade Name or Fictitious Business Name</u>
------------------------	---

- (D) Agreements pursuant to which any Grantor is found as debtor within past five (5) years:

<u>Name of Grantor</u>	<u>Date of Change</u>	<u>Description of Change</u>
------------------------	-----------------------	------------------------------

- (E) Financing Statements:

<u>Name of Grantor</u>	<u>Filing Jurisdiction(s)</u>
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EXHIBIT A-2

3 13:40

SKADDEN ARPS → 917033065995244130

NO. 095

P086

SECOND AMENDED AND RESTATED
PLEDGE AND SECURITY AGREEMENT
703917-New York Server 7A

EXHIBIT A-3

EXECUTION

PATENT

REEL: 013392 FRAME: 0820

SUPPLEMENT TO SCHEDULE 4.2
TO PLEDGE AND SECURITY AGREEMENT

Additional Information:

Name of Grantor

Location of Equipment and Inventory

EXHIBIT A-4

SECOND AMENDED AND RESTATED
PLEDGE AND SECURITY AGREEMENT
703917-New York Server 7A

EXECUTION

PATENT
REEL: 013392 FRAME: 0821

SUPPLEMENT TO SCHEDULE 4.4
TO PLEDGE AND SECURITY AGREEMENT

Additional Information:

(A)

Pledged Stock:

Pledged Partnership Interests:

Pledged LLC Interests:

Pledged Trust Interests:

Pledged Debt:

Securities Account:

Commodities Accounts:

Deposit Accounts:

(B)

Name of Grantor

Date of Acquisition

Description of Acquisition

EXHIBIT A-5

SUPPLEMENT TO SCHEDULE 4.5
TO PLEDGE AND SECURITY AGREEMENT

Additional Information:

Name of Grantor

Description of Material Contract

SUPPLEMENT TO SCHEDULE 4.6
TO PLEDGE AND SECURITY AGREEMENT

Additional Information:

Name of Grantor

Description of Letters of Credit

EXHIBIT A-7

SUPPLEMENT TO SCHEDULE 4.7
TO PLEDGE AND SECURITY AGREEMENT

Additional Information:

- (A) Copyrights
- (B) Copyright Licenses
- (C) Patents
- (D) Patent Licenses
- (E) Trademarks
- (F) Trademark Licenses
- (G) Trade Secret Licenses
- (H) Intellectual Property Exceptions

EXHIBIT A-8

SUPPLEMENT TO SCHEDULE 4.8
TO PLEDGE AND SECURITY AGREEMENT

Additional Information:

Name of Grantor

Commercial Tort Claims

EXHIBIT A-9

EXHIBIT B
TO PLEDGE AND SECURITY AGREEMENT

UNCERTIFICATED SECURITIES CONTROL AGREEMENT

This Uncertificated Securities Control Agreement dated as of _____, 2000 among _____ (the "**Pledgor**"), [NAME OF COLLATERAL AGENT], as collateral agent for the Secured Parties, (the "**Collateral Agent**") and _____, a _____ corporation (the "**Issuer**"). Capitalized terms used but not defined herein shall have the meaning assigned in the Pledge and Security Agreement dated [as of the date hereof], among the Pledgor, the other Grantors party thereto and the Collateral Agent (the "**Security Agreement**"). All references herein to the "UCC" shall mean the Uniform Commercial Code as in effect in the State of New York.

Section 1. Registered Ownership of Shares. The Issuer hereby confirms and agrees that as of the date hereof the Pledgor is the registered owner of _____ shares of the Issuer's [common] stock (the "**Pledged Shares**") and the Issuer shall not change the registered owner of the Pledged Shares without the prior written consent of the Collateral Agent.

Section 2. Instructions. If at any time the Issuer shall receive instructions originated by the Collateral Agent relating to the Pledged Shares, the Issuer shall comply with such instructions without further consent by the Pledgor or any other person.

Section 3. Additional Representations and Warranties of the Issuer. The Issuer hereby represents and warrants to the Collateral Agent:

(a) It has not entered into, and until the termination of the this agreement will not enter into, any agreement with any other person relating the Pledged Shares pursuant to which it has agreed to comply with instructions issued by such other person; and

(b) It has not entered into, and until the termination of this agreement will not enter into, any agreement with the Pledgor or the Collateral Agent purporting to limit or condition the obligation of the Issuer to comply with Instructions as set forth in Section 2 hereof.

(c) Except for the claims and interest of the Collateral Agent and of the Pledgor in the Pledged Shares, the Issuer does not know of any claim to, or interest in, the Pledged Shares. If any person asserts any lien, encumbrance or adverse claim (including any writ, garnishment, judgment, warrant of attachment, execution or similar process) against the Pledged Shares, the Issuer will promptly notify the Collateral Agent and the Pledgor thereof.

(d) This Uncertificated Securities Control Agreement is the valid and legally binding obligation of the Issuer.

Section 4. Choice of Law. This Agreement shall be governed by the laws of the State of New York.

Exhibit B-1

Section 5. Conflict with Other Agreements. In the event of any conflict between this Agreement (or any portion thereof) and any other agreement now existing or hereafter entered into, the terms of this Agreement shall prevail. No amendment or modification of this Agreement or waiver of any right hereunder shall be binding on any party hereto unless it is in writing and is signed by all of the parties hereto.

Section 6. Voting Rights. Until such time as the Collateral Agent shall otherwise instruct the Issuer in writing, the Pledgor shall have the right to vote the Pledged Shares.

Section 7. Successors; Assignment. The terms of this Agreement shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective corporate successors or heirs and personal representatives who obtain such rights solely by operation of law. The Collateral Agent may assign its rights hereunder only with the express written consent of the Issuer and by sending written notice of such assignment to the Pledgor.

Section 8. Indemnification of Issuer. The Pledgor and the Collateral Agent hereby agree that (a) the Issuer is released from any and all liabilities to the Pledgor and the Collateral Agent arising from the terms of this Agreement and the compliance of the Issuer with the terms hereof, except to the extent that such liabilities arise from the Issuer's negligence and (b) the Pledgor, its successors and assigns shall at all times indemnify and save harmless the Issuer from and against any and all claims, actions and suits of others arising out of the terms of this Agreement or the compliance of the Issuer with the terms hereof, except to the extent that such arises from the Issuer's negligence, and from and against any and all liabilities, losses, damages, costs, charges, counsel fees and other expenses of every nature and character arising by reason of the same, until the termination of this Agreement.

Section 9. Notices. Any notice, request or other communication required or permitted to be given under this 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 (2) days after being sent by certified or registered United States mail, return receipt requested, postage prepaid, addressed to the party at the address set forth below.

Pledgor: [INSERT ADDRESS]
Attention:
Telecopier:

Collateral Agent: [INSERT ADDRESS]
Attention:
Telecopier:

Issuer: [INSERT ADDRESS]
Attention:
Telecopier:

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

Section 10. Termination. The obligations of the Issuer to the Collateral Agent pursuant to this Control Agreement shall continue in effect until the security interests of the Collateral Agent in the Pledged Shares have been terminated pursuant to the terms of the Security

Exhibit B-2

Agreement and the Collateral Agent has notified the Issuer of such termination in writing. The Collateral Agent agrees to provide Notice of Termination in substantially the form of Exhibit A hereto to the Issuer upon the request of the Pledgor on or after the termination of the Collateral Agent's security interest in the Pledged Shares pursuant to the terms of the Security Agreement. The termination of this Control Agreement shall not terminate the Pledged Shares or alter the obligations of the Issuer to the Pledgor pursuant to any other agreement with respect to the Pledged Shares.

Section 11. Counterparts. This 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 Agreement by signing and delivering one or more counterparts.

[NAME OF PLEDGOR]

By: _____
Name:
Title:

**GENERAL ELECTRIC CAPITAL
CORPORATION,**
as Collateral Agent

By: _____
Name:
Title:

[NAME OF ISSUER]

By: _____
Name:
Title:

Exhibit B-3

Exhibit A

[Letterhead of Collateral Agent]

[Date]

[Name and Address of Issuer]

Attention: _____

Re: Termination of Control Agreement

You are hereby notified that the Uncertificated Securities Control Agreement between you, [the Pledgor] and the undersigned (a copy of which is attached) is terminated and you have no further obligations to the undersigned pursuant to such Agreement. Notwithstanding any previous instructions to you, you are hereby instructed to accept all future directions with respect to Pledged Shares (as defined in the Uncertificated Control Agreement) from [the Pledgor]. This notice terminates any obligations you may have to the undersigned with respect to the Pledged Shares, however nothing contained in this notice shall alter any obligations which you may otherwise owe to [the Pledgor] pursuant to any other agreement.

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

Very truly yours,

**GENERAL ELECTRIC CAPITAL
CORPORATION,**
as Collateral Agent

By: _____
Name:
Title:

Exhibit B-A-1

EXHIBIT C
TO PLEDGE AND SECURITY AGREEMENT

SECURITIES ACCOUNT CONTROL AGREEMENT

This Securities Account Control Agreement dated as of _____, 2000 (this "Agreement") among _____ (the "Debtor"), **GENERAL ELECTRIC CAPITAL CORPORATION**, as collateral agent for the Secured Parties (the "Collateral Agent") and _____, in its capacity as a "securities intermediary" as defined in Section 8-102 of the UCC (in such capacity, the "Securities Intermediary"). Capitalized terms used but not defined herein shall have the meaning assigned thereto in the Pledge and Security Agreement, dated [as of the date hereof], among the Debtor, the other Grantors party thereto and the Collateral Agent (as amended, restated, supplemented or otherwise modified from time to time, the "Security Agreement"). All references herein to the "UCC" shall mean the Uniform Commercial Code as in effect in the State of New York.

Section 1. Establishment of Securities Account. The Securities Intermediary hereby confirms and agrees that:

(a) The Securities Intermediary has established account number _____ in the name "AMSCAN INC." (such account and any successor account, the "Securities Account") and the Securities Intermediary shall not change the name or account number of the Securities Account without the prior written consent of the Collateral Agent;

(b) All securities or other property underlying any financial assets credited to the Securities 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 the Securities Account be registered in the name of the Debtor, payable to the order of the Debtor or specially indorsed to the Debtor except to the extent the foregoing have been specially indorsed to the Securities Intermediary or in blank;

(c) All property delivered to the Securities Intermediary pursuant to the Security Agreement will be promptly credited to the Securities Account; and

(d) The Securities Account is a "securities account" within the meaning of Section 8-501 of the UCC.

Section 2. "Financial Assets" Election. The Securities Intermediary hereby agrees that each item of property (including, without limitation, any investment property, financial asset, security, instrument, general intangible or cash) credited to the Securities Account shall be treated as a "financial asset" within the meaning of Section 8-102(a)(9) of the UCC.

Section 3. Control of the Securities Account. If at any time the Securities Intermediary shall receive any order from the Collateral Agent directing transfer or redemption of

Exhibit C-1

any financial asset relating to the Securities Account, the Securities Intermediary shall comply with such entitlement order without further consent by the Debtor or any other person. If the Debtor is otherwise entitled to issue entitlement orders and such orders conflict with any entitlement order issued by the Collateral Agent, the Securities Intermediary shall follow the orders issued by the Collateral Agent.

Section 4. Subordination of Lien; Waiver of Set-Off. In the event that the Securities Intermediary has or subsequently obtains by agreement, by operation of law or otherwise a security interest in the Securities Account or any security entitlement credited thereto, 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 the Securities Account 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 customary fees and expenses for the routine maintenance and operation of the Securities Account and (ii) the face amount of any checks which have been credited to such Securities Account but are subsequently returned unpaid because of uncollected or insufficient funds).

Section 5. Choice of Law. This Agreement and the Securities Account shall each 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 Securities Account (as well as the securities entitlements related thereto) shall be governed by the laws of the State of New York.

Section 6. Conflict with Other Agreements.

(a) In the event of any conflict between this Agreement (or any portion thereof) and any other agreement now existing or hereafter entered into, the terms of this Agreement shall prevail;

(b) No amendment or modification of this Agreement or waiver of any right hereunder shall be binding on any party hereto unless it is in writing and is signed by all of the parties hereto;

(c) The Securities Intermediary hereby confirms and agrees that:

(i) There are no other agreements entered into between the Securities Intermediary and the Debtor with respect to the Securities Account;

(ii) It has not entered into, and until the termination of this Agreement, will not enter into, any agreement with any other person relating to the Securities Account and/or any financial assets credited thereto pursuant to which it has agreed to comply with entitlement orders (as defined in Section 8-102(a)(8) of the UCC) of such other person; and

(iii) It has not entered into, and until the termination of this Agreement, will not enter into, any agreement with the Debtor or the 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.

Exhibit C-2

Section 7. Adverse Claims. Except for the claims and interest of the Collateral Agent and of the Debtor in the Securities Account, the Securities Intermediary does not know of any claim to, or interest in, the Securities Account or in any "financial asset" (as defined in Section 8-102(a) of the UCC) credited thereto. If any person asserts any lien, encumbrance or adverse claim (including any writ, garnishment, judgment, warrant of attachment, execution or similar process) against the Securities Account or in any financial asset carried therein, the Securities Intermediary will promptly notify the Collateral Agent and the Debtor thereof.

Section 8. Maintenance of Securities Account. 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 Securities Account as follows:

(a) 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 hereto, the Securities Intermediary agrees that after receipt of such notice, it will take all instruction with respect to the Securities Account solely from the Collateral Agent.

(b) Voting Rights. Until such time as the Securities Intermediary receives a Notice of Sole Control pursuant to subsection (a) of this Section 8, the Debtor shall direct the Securities Intermediary with respect to the voting of any financial assets credited to the Securities Account.

(c) Permitted Investments. Until such time as the Securities Intermediary receives a Notice of Sole Control signed by the Collateral Agent, the Debtor shall direct the Securities Intermediary with respect to the selection of investments to be made for the Securities Account; provided, however, that the Securities Intermediary shall not honor any instruction to purchase any investments other than investments of a type described on Exhibit B hereto.

(d) Statements and Confirmations. The Securities Intermediary will promptly send copies of all statements, confirmations and other correspondence concerning the Securities Account and/or any financial assets credited thereto simultaneously to each of the Debtor and the Collateral Agent at the address for each set forth in Section 12 of this Agreement.

(e) Tax Reporting. All items of income, gain, expense and loss recognized in the Securities Account shall be reported to the Internal Revenue Service and all state and local taxing authorities under the name and taxpayer identification number of the Debtor.

Section 9. Representations, Warranties and Covenants of the Securities Intermediary. The Securities Intermediary hereby makes the following representations, warranties and covenants:

(a) The Securities Account has been established as set forth in Section 1 above and such Securities Account will be maintained in the manner set forth herein until termination of this Agreement; and

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

Section 10 Indemnification of Securities Intermediary. The Debtor and the Collateral Agent hereby agree that (a) the Securities Intermediary is released from any and all liabilities to the Debtor and the Collateral Agent arising from the terms of this Agreement and the compliance

Exhibit C-3

of the Securities Intermediary with the terms hereof, except to the extent that such liabilities arise from the Securities Intermediary's negligence and (b) the Debtor, its successors and assigns shall at all times indemnify and save harmless the Securities Intermediary from and against any and all claims, actions and suits of others arising out of the terms of this Agreement or the compliance of the Securities Intermediary with the terms hereof, except to the extent that such arises from the Securities Intermediary's negligence, and from and against any and all liabilities, losses, damages, costs, charges, counsel fees and other expenses of every nature and character arising by reason of the same, until the termination of this Agreement.

Section 11. Successors; Assignment. The terms of this Agreement shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective corporate successors or heirs and personal representatives who obtain such rights solely by operation of law. The Collateral Agent may assign its rights hereunder only with the express written consent of the Securities Intermediary and by sending written notice of such assignment to the Debtor.

Section 12. Notices. Any notice, request or other communication required or permitted to be given under this 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 (2) 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.

Debtor: [INSERT ADDRESS]
Attention:
Telecopier:

Collateral Agent: [INSERT ADDRESS]
Attention:
Telecopier:

Securities Intermediary: [INSERT ADDRESS]
Attention:
Telecopier:

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

Section 13. Termination. The obligations of the Securities Intermediary to the Collateral Agent pursuant to this Agreement shall continue in effect until the security interest of the Collateral Agent in the Securities Account has been terminated pursuant to the terms of the Security Agreement and the Collateral Agent has notified the Securities Intermediary of such termination in writing. The Collateral Agent agrees to provide Notice of Termination in substantially the form of Exhibit C hereto to the Securities Intermediary upon the request of the Debtor on or after the termination of the Collateral Agent's security interest in the Securities Account pursuant to the terms of the Security Agreement. The termination of this Agreement shall not terminate the Securities Account or alter the obligations of the Securities Intermediary to the Debtor pursuant to any other agreement with respect to the Securities Account.

Section 14. Counterparts. This 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 Agreement by signing and delivering one or more counterparts.

Exhibit C-4

IN WITNESS WHEREOF, the parties hereto have caused this Securities Account Control Agreement to be executed as of the date first above written by their respective officers thereunto duly authorized.

[DEBTOR]

By: _____
Name:
Title:

**GENERAL ELECTRIC CAPITAL
CORPORATION,**
as Collateral Agent

By: _____
Name:
Title:

**[NAME OF SECURITIES
INTERMEDIARY],**
as Securities Intermediary

By: _____
Name:
Title:

Exhibit C-5

EXHIBIT A
TO SECURITIES ACCOUNT CONTROL AGREEMENT

[Letterhead of Collateral Agent]

[Date]

[Name and Address of Securities Intermediary]

Attention:

Re: Notice of Sole Control

Ladies and Gentlemen:

As referenced in the Securities Account Control Agreement dated as of _____, 2000 among **AMSCAN INC.**, you and the undersigned (a copy of which is attached), we hereby give you notice of our sole control over securities account number _____ (the "**Securities Account**") and all financial assets credited thereto. You are hereby instructed not to accept any direction, instructions or entitlement orders with respect to the Securities Account or the financial assets 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 **AMSCAN INC.**

Very truly yours,

**GENERAL ELECTRIC CAPITAL
CORPORATION,**
as Collateral Agent

By: _____
Name:
Title:

cc: **AMSCAN INC.**

Exhibit C-A-1

EXHIBIT B
TO SECURITIES ACCOUNT CONTROL AGREEMENT

Permitted Investments

[TO COME]

Exhibit C-B-1

EXHIBIT C

TO SECURITIES ACCOUNT CONTROL AGREEMENT

[Letterhead of the Collateral Agent]

[Date]

[Name and Address of Securities Intermediary]

Attention:

Re: Termination of Securities Account Control Agreement

You are hereby notified that the Securities Account Control Agreement dated as of _____, 2000 among you, **AMSCAN INC.** and the undersigned (a copy of which is attached) is terminated and you have no further obligations to the undersigned pursuant to such Agreement. Notwithstanding any previous instructions to you, you are hereby instructed to accept all future directions with respect to account number(s) 452-1-037210 from **AMSCAN INC.** This notice terminates any obligations you may have to the undersigned with respect to such account, however nothing contained in this notice shall alter any obligations which you may otherwise owe to **AMSCAN INC.** pursuant to any other agreement.

You are instructed to deliver a copy of this notice by facsimile transmission to **AMSCAN INC.**

Very truly yours,

**GENERAL ELECTRIC CAPITAL
CORPORATION,**
as Collateral Agent

By: _____
Name:
Title:

Exhibit C-C-1

EXHIBIT D
TO PLEDGE AND SECURITY AGREEMENT

DEPOSIT ACCOUNT CONTROL AGREEMENT

This Deposit Account Control Agreement dated as of _____, 2003 (this "Agreement") among Amscan Holdings, Inc. (the "Debtor"), **GENERAL ELECTRIC CAPITAL CORPORATION**, as collateral agent for the Secured Parties (the "Collateral Agent") and _____, in its capacity as a "bank" as defined in Section 9-102 of the UCC (in such capacity, the "Financial Institution"). Capitalized terms used but not defined herein shall have the meaning assigned thereto in the Second Amended and Restated Pledge and Security Agreement, dated December 20, 2002, between the Debtor, the other Grantors party thereto and the Collateral Agent (as amended, restated, supplemented or otherwise modified from time to time, the "Security Agreement"). All references herein to the "UCC" shall mean the Uniform Commercial Code as in effect in the State of New York.

Section 1. Establishment of Deposit Account. The Financial Institution hereby confirms and agrees that:

(a) The Financial Institution has established account number _____ in the name "_____" (such account and any successor account, the "Deposit Account") and the Financial Institution shall not change the name or account number of the Deposit Account without the prior written consent of the Collateral Agent; and

(b) The Deposit Account is a "deposit account" within the meaning of Section 9-102(a)(29) of the UCC.

Section 2. Security Interest. As collateral security for Debtor's obligations to Collateral Agent under the Credit Agreement and the other loan documents described therein, Company hereby grants to Collateral Agent a present and continuing security interest in (a) the Deposit Account, (b) all contract rights and privileges in respect of the Deposit Account, and (c) all cash, checks, money orders and other items of value of Company now or hereafter paid, deposited, credited, held (whether for collection, provisionally or otherwise) or otherwise in the possession or under the control of, or in transit to, the Financial Institution or any agent, bailee or custodian thereof (collectively, "Receipts"), and all proceeds of the foregoing, and the Financial Institution acknowledges that this Agreement constitutes notice, in accordance with the UCC, of Collateral Agent's security interest in such collateral. Collateral Agent hereby appoints the Financial Institution as Collateral Agent's bailee and pledgee-in-possession for the Deposit Account and all Receipts, and the Financial Institution hereby accepts such appointment and agrees to be bound by the terms of this Agreement. Debtor hereby agrees to such appointment and further agrees that the Financial Institution, on behalf of Collateral Agent, shall be entitled to exercise, upon the written instructions of Collateral Agent, any and all rights which Collateral Agent may have under the Credit Agreement, the other loan documents described therein or under applicable law with respect to the Deposit Account, all Receipts and all other collateral described in this Section 2.

Section 3. Control of the Deposit Account. If at any time the Financial Institution shall receive any instructions originated by the Collateral Agent directing the disposition of funds in

Exhibit D-1

the Deposit Account, the Financial Institution shall comply with such instructions without further consent by the Debtor or any other person. The Financial Institution hereby acknowledges that it has received notice of the security interest of the Collateral Agent in the Deposit Account and hereby acknowledges and consents to such lien.

Section 4. Subordination of Lien; Waiver of Set-Off. In the event that the Financial Institution has or subsequently obtains by agreement, by operation of law or otherwise a security interest in the Deposit Account or any funds credited thereto, the Financial Institution hereby agrees that such security interest shall be subordinate to the security interest of the Collateral Agent. Money and other items credited to the Deposit Account 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 Financial Institution may set off (i) all amounts due to the Financial Institution in respect of customary fees and expenses for the routine maintenance and operation of the Deposit Account and (ii) the face amount of any checks which have been credited to such Deposit Account but are subsequently returned unpaid because of uncollected or insufficient funds).

Section 5. Choice of Law. This Agreement and the Deposit Account shall each 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 Financial Institution's jurisdiction (within the meaning of Section 9-304 of the UCC) and the Deposit Account shall be governed by the laws of the State of New York.

Section 6. Conflict with Other Agreements.

(a) In the event of any conflict between this Agreement (or any portion thereof) and any other agreement now existing or hereafter entered into, the terms of this Agreement shall prevail;

(b) No amendment or modification of this Agreement or waiver of any right hereunder shall be binding on any party hereto unless it is in writing and is signed by all of the parties hereto; and

(c) The Financial Institution hereby confirms and agrees that:

(i) There are no other agreements entered into between the Financial Institution and the Debtor with respect to the Deposit Account; and

(ii) It has not entered into, and until the termination of this Agreement, will not enter into, any agreement with any other person relating the Deposit Account and/or any funds credited thereto pursuant to which it has agreed to comply with instructions originated by such persons as contemplated by Section 9-104 of the UCC.

Section 7. Adverse Claims. The Financial Institution does not know of any liens, claims or encumbrances relating to the Deposit Account. If any person asserts any lien, encumbrance or adverse claim (including any writ, garnishment, judgment, warrant of attachment, execution or similar process) against the Deposit Account, the Financial Institution will promptly notify the Collateral Agent and the Debtor thereof.

Exhibit D-2

Section 8. Maintenance of Deposit Account. In addition to, and not in lieu of, the obligation of the Financial Institution to honor instructions as set forth in Section 3 hereof, the Financial Institution agrees to maintain the Deposit Account as follows:

(a) **Statements and Confirmations.** The Financial Institution will promptly send copies of all statements, confirmations and other correspondence concerning the Deposit Account simultaneously to each of the Debtor and the Collateral Agent at the address for each set forth in Section 12 of this Agreement; and

(b) **Tax Reporting.** All interest, if any, relating to the Deposit Account, shall be reported to the Internal Revenue Service and all state and local taxing authorities under the name and taxpayer identification number of the Debtor.

Section 9. Representations, Warranties and Covenants of the Financial Institution. The Financial Institution hereby makes the following representations, warranties and covenants:

(a) The Deposit Account has been established as set forth in Section 1 and such Deposit Account will be maintained in the manner set forth herein until termination of this Agreement; and

(b) This Agreement is the valid and legally binding obligation of the Financial Institution.

Section 10. Indemnification of Financial Institution. The Debtor and the Collateral Agent hereby agree that (a) the Financial Institution is released from any and all liabilities to the Debtor and the Collateral Agent arising from the terms of this Agreement and the compliance of the Financial Institution with the terms hereof, except to the extent that such liabilities arise from the Financial Institution's negligence and (b) the Debtor, its successors and assigns shall at all times indemnify and save harmless the Financial Institution from and against any and all claims, actions and suits of others arising out of the terms of this Agreement or the compliance of the Financial Institution with the terms hereof, except to the extent that such arises from the Financial Institution's negligence, and from and against any and all liabilities, losses, damages, costs, charges, counsel fees and other expenses of every nature and character arising by reason of the same, until the termination of this Agreement.

Section 11. Successors; Assignment. The terms of this Agreement shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective corporate successors or heirs and personal representatives who obtain such rights solely by operation of law. The Collateral Agent may assign its rights hereunder only with the express written consent of the Financial Institution and by sending written notice of such assignment to the Debtor.

Section 12 Notices. Any notice, request or other communication required or permitted to be given under this 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 (2) 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.

Debtor:

Amscan Holdings, Inc.
80 Grasslands Road

Exhibit D-3

Elmsford, NY 10523
Attention: Michael A. Correale
Telecopier: 914-345-2056

Collateral Agent: **GENERAL ELECTRIC CAPITAL CORPORATION**
Attention:
Telecopier:

Financial Institution: **[INSERT ADDRESS]**
Attention:
Telecopier:

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

Section 13. Termination. The obligations of the Financial Institution to the Collateral Agent pursuant to this Agreement shall continue in effect until the security interest of the Collateral Agent in the Deposit Account has been terminated pursuant to the terms of the Security Agreement and the Collateral Agent has notified the Financial Institution of such termination in writing. The Collateral Agent agrees to provide Notice of Termination in substantially the form of Exhibit A hereto to the Financial Institution upon the request of the Debtor on or after the termination of the Collateral Agent's security interest in the Deposit Account pursuant to the terms of the Security Agreement. The termination of this Agreement shall not terminate the Deposit Account or alter the obligations of the Financial Institution to the Debtor pursuant to any other agreement with respect to the Deposit Account.

Section 14. Counterparts. This 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 Agreement by signing and delivering one or more counterparts.

IN WITNESS WHEREOF, the parties hereto have caused this Deposit Account Control Agreement to be executed as of the date first above written by their respective officers thereunto duly authorized.

AMSCAN HOLDINGS, INC.

By: _____
Name:
Title:

**GENERAL ELECTRIC CAPITAL
CORPORATION,**
as Collateral Agent

By: _____
Name:
Title:

Exhibit D-4

[NAME OF FINANCIAL INSTITUTION],
as Financial Institution

By: _____
Name:
Title:

Exhibit D-5

EXHIBIT A
TO DEPOSIT ACCOUNT CONTROL AGREEMENT

[Letterhead of the Collateral Agent]

[Date]

[Name and Address of Financial Institution]

Attention:

Re: Termination of Deposit Account Control Agreement

You are hereby notified that the Deposit Account Control Agreement dated as of _____, 2003 among [NAME OF DEBTOR], you and the undersigned (a copy of which is attached) is terminated and you have no further obligations to the undersigned pursuant to such Agreement. Notwithstanding any previous instructions to you, you are hereby instructed to accept all future directions with respect to account number _____ from [NAME OF DEBTOR]. This notice terminates any obligations you may have to the undersigned with respect to such account, however nothing contained in this notice shall alter any obligations which you may otherwise owe to [NAME OF DEBTOR] pursuant to any other agreement.

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

Very truly yours,

GENERAL ELECTRIC CAPITAL
CORPORATION,
as Collateral Agent

By: _____
Name:
Title:

Exhibit D-A-1