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

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

## 1. Name of conveying party(ies):

ASC Incorporated (Michigan corporation)  
ASC Europe, LLC  
(Michigan limited liability company)Additional name(s) of conveying party(ies) attached? ☐ Yes ☒ No

## 3. Nature of conveyance:

- ☐ Assignment ☐ Merger  
☐ Security Agreement ☐ Change of Name  
☒ Other Amended and Restated Security Agreement

6/2/03

Execution Date: \_\_\_\_\_

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

Name: Comerica Bank, as AgentInternal Address: One Detroit Center, 9th FloorStreet Address: 500 Woodward Ave.City: Detroit State: MI Zip: 48226Additional name(s) & address(es) attached? ☐ Yes ☒ No

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

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

A. Patent Application No.(s) 60/457045B. Patent No.(s) 6,386,852Additional numbers attached? ☒ Yes ☐ No

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

Name: Angela Alvarez SujekInternal Address: Bodman, Longley & Dahling LLPStreet Address: 110 Miller, Suite 300City: Ann Arbor State: MI Zip: 481046. Total number of applications and patents involved: 117. Total fee (37 CFR 3.41).....\$ 4,680.00

- ☒ Enclosed  
☐ Authorized to be charged to deposit account

## 8. Deposit account number:

ADDITIONAL FEES ONLY: 02-2880

DO NOT USE THIS SPACE

## 9. Signature.

Angela Alvarez Sujek

Name of Person Signing

Angela Alvarez Sujek

Signature

Date

Total number of pages including cover sheet, attachments, and documents: 55

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

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

PATENT

REEL: 014402 FRAME: 0001

**RECORDATION FORM COVER SHEET  
CONTINUATION PAGE RE SECURITY AGREEMENT  
AMONG ASC INCORPORATED, ASC EUROPE, LLC AND  
COMERICA BANK**

**U.S. PATENTS**

<b>PATENT NO.</b>	<b>DESCRIPTION</b>
6,508,502	convertible roof and tonneau cover system
6,497,447	convertible hard top for vehicles
6,485,094	automotive vehicle open air system
6,454,347	spoiler sunroof
6,419,308	movable roof system for an automotive vehicle
6,409,259	automotive vehicle sunroof
6,318,785	automotive vehicle foot rest
6,305,737	automotive vehicle door system
6,290,281	power latch for an automotive vehicle convertible roof system
6,288,511	automotive convertible top system
6,282,791	method of making an automotive vehicle convertible roof
6,246,199	automotive convertible top system
6,241,310	vehicle structure with integral node
6,224,146	spoiler sunroof mechanism
6,199,944	spoiler sunroof
6,161,893	sunshade for an automotive vehicle roof
6,155,614	latching system for an automotive vehicle convertible roof
6,145,909	automotive vehicle bootwell and drain trough apparatus
6,129,413	powered dual panel sunroof
6,114,819	automotive convertible top system for an automobile
6,102,467	backlite retention system for use in an automotive vehicle convertible roof
6,073,995	powered venting panel assembly

<b>PATENT NO.</b>	<b>DESCRIPTION</b>
6,056,352	sunroof assembly for an automotive vehicle and control system for operating a sunroof assembly
6,042,174	latching and control apparatus for an automotive vehicle convertible roof
6,038,819	powered drive assembly
6,015,184	sunshade for an automotive vehicle roof
5,998,948	convertible roof actuation mechanism
5,961,177	sunroof assembly drain trough for an automotive vehicle
5,941,598	drive mechanism for an automotive vehicle sunroof assembly
5,904,394	latching and switch operating system for a convertible roof
5,903,119	convertible roof actuation mechanism
5,887,936	backlite system for use in an automotive vehicle convertible roof
5,864,214	storage compartment sensor system for use with an automotive vehicle
5,851,934	composite curtain
5,829,820	convertible top covering retainer with method for using the same
5,825,147	control system for a vehicle having a moveable vehicle body member
5,810,422	convertible top
5,788,011	foldable ladder
5,785,375	retractable hard-top for an automotive vehicle
5,779,299	apparatus for achieving automotive vehicle roof isolation
5,775,767	convertible top for a vehicle having a rear egress
5,772,275	apparatus and method for securing a convertible roof to an automobile vehicle
5,772,274	motorized drive system for a convertible roof of an automotive vehicle
5,755,467	latching and switch operating system for a convertible roof
5,746,475	drive mechanism for an automotive vehicle sunroof assembly
5,743,587	apparatus for use in an automotive vehicle having a convertible roof system
5,734,727	sunroof assembly noise attenuation system

PATENT NO.	DESCRIPTION
5,727,478	pop-up table assembly
5,715,549	sink assembly enclosed within drawer
5,685,596	window lift mechanism for an automotive vehicle
5,678,881	apparatus and method for securing a convertible roof to an automotive vehicle
5,654,615	storage compartment sensor system for use with an automotive vehicle convertible roof
5,625,981	composite window assembly for an automotive vehicle
5,624,149	apparatus and method for securing a convertible roof to an automotive vehicle
5,593,202	convertible top
5,590,939	reconfigurable space frame cabinet
5,540,476	convertible top covering retainer with method for using the same
5,490,709	hinge for a folding roof in a convertible automotive vehicle
5,456,516	automotive vehicle side window system
5,451,849	motorized self-correcting automatic convertible top
5,429,409	convertible top
5,427,429	convertible top bow
5,301,987	convertible top stack latch
5,261,722	variable opacity, maximally transverse retracting sunroof system
5,225,747	single-button actuated self-correcting automatic convertible top
5,186,516	power latch system
5,161,852	convertible top with improved geometry
5,118,158	convertible top linkage assembly with laterally moving rear quarter windows
5,106,145	convertible stack system
5,085,483	convertible top latching mechanism
5,058,939	power latch system
4,930,833	boot cover for a convertible vehicle

<b>PATENT NO.</b>	<b>DESCRIPTION</b>
4,883,940	heatable composite backlight panel
4,835,449	sliding roof panel control apparatus
4,817,999	convertible header latch mechanism
4,720,133	convertible top structure
D 464605	combined automotive convertible roof, tonneau cover and rear compartment lid
D 452675	combined automotive convertible roof portion and tonneau cover
D 442541	portion of an opaque convertible roof
D 438840	sunroof for automotive vehicle
D 427138	portion of a convertible roof and tonneau cover
D 406792	portion of automotive vehicle having a convertible roof
D 314540	manual sunroof latch handle
5,951,100	sunroof assembly for an automotive vehicle
6,550,843	composite roof bow for an automotive vehicle
6,539,604	vehicle structure with integral node
<b>Pending</b>	
09/597706	convertible top
10/105888	automotive vehicle roof system having multiple sunroofs
10/272589	automotive vehicle open air system
09/631432	automotive vehicle hood system
09/930739	hard-top convertible roof system
09/965109	top stack mechanism for a convertible roof
09/975693	vehicle seat covering system
10/202261	automobile convertible roof system having a flat-fold boot cover
10/360012	automotive vehicle roof system having a detachable convertible roof
60/409276	soft-top convertible roof system for an automotive vehicle

PATENT NO.	DESCRIPTION
29/155056	roof for an automotive vehicle
29/155000	roof for an automotive vehicle
29/154944	roof for automotive vehicle
29/154991	roof for automotive vehicle
10/17730	vehicle convertible roof
10/237767	vehicle convertible roof
10/246114	vehicle convertible roof
10/360691	vehicle convertible roof
10/237919	vehicle convertible roof
10/209672	vehicle latch mechanism for convertible tops
60/409321	convertible backlite control system
10/245973	vehicle retractable hardtop roof
10/361163	two-way opening decklid for a convertible roof vehicle
10/403362	convertible top linkage
10/359949	tonneau panel mechanism
10/298271	convertible top latch
60/467634	convertible roof fabric attachment
10/378337	hardtop convertible
60/466258	serviceable back window for convertible roof

## **AMENDED AND RESTATED SECURITY AGREEMENT**

THIS AMENDED AND RESTATED SECURITY AGREEMENT (the "Agreement") dated as of June 2, 2003, is entered into by and among ASC Incorporated, a Michigan corporation, (the "Company"), ASC Europe, LLC, a Michigan limited liability company ("ASC Europe") and such other entities which from time to time become parties hereto (collectively, including the Company, and ASC Europe the "Debtors" and individually each a "Debtor") and Comerica Bank, a Michigan banking corporation ("Comerica"), as Collateral Agent for and on behalf of the Benefited Parties (as defined below) (in such capacity, including any successor collateral agent, the "Collateral Agent"). The addresses for the Debtors and the Collateral Agent are set forth on the signature pages.

### **RECITALS**

A. The Company has entered into that certain ASC Incorporated Fifth Amended and Restated Revolving Credit Agreement dated as of June 2, 2003 (as amended, amended and restated, supplemented, or otherwise modified from time to time, the "Credit Agreement") with each of the financial institutions party thereto (collectively, including their respective successors and assigns, the "Banks"), and with Comerica in its capacity as agent for the Banks (the "Agent"), pursuant to which the Banks have agreed, subject to the satisfaction of certain terms and conditions, to extend or to continue to extend financial accommodations to the Company, as provided therein.

B. The Company has entered into that certain Renewal Term Note dated June 2, 2003 (as amended, amended and restated, supplemented, or otherwise modified from time to time, the "Term Note") with Comerica, in its individual capacity as the lender under the Term Note (including any successor and assigns, the "Term Debt Lender").

C. ASC Europe has entered into certain guarantys of both the Credit Agreement (such guaranty being for the benefit of the Banks) and the Term Note (such guaranty being for the benefit of the Term Debt Lender).

D. The Agent, the Banks, the Term Debt Lender and the Collateral Agent have each entered into that certain Intercreditor Agreement (as amended, amended and restated, supplemented or otherwise modified from time to time, the "Intercreditor Agreement") dated as of June 2, 2003 (and acknowledged by the Company and its Subsidiaries) evidencing certain agreements among the Collateral Agent, the Agent, the Banks and the Term Debt Lender regarding, among other things, the collateral for, and the enforcement of rights and remedies with respect to, the debt evidenced by or issued under the Credit Agreement or the Term Note (collectively referred to herein as the "Senior Debt Agreements"), and appointing Comerica to act as collateral and enforcement agent for such parties thereunder.

E. Pursuant to the Credit Agreement, the Agent and the Banks have required that each of the Debtors grant (or cause to be granted) certain liens and security interests to the

Agent, as agent for the benefit of the Banks, all to secure the obligations of the Company under the Credit Agreement; and the Term Debt Lender has required that each of the Debtors grant (or cause to be granted) certain liens and security interests to the Term Debt Lender, all to secure the obligations of the Company under the Term Note.

F. The Agent, the Banks and the Term Debt Lender have entered into the Intercreditor Agreement to define the rights, duties, authority and responsibilities of the Collateral Agent, acting on behalf of such parties regarding the Collateral (as defined in the Intercreditor Agreement), and the relationship among the parties regarding their equal and ratable interests in the Collateral (as defined below).

G. The Agent, the Banks, the Collateral Agent and the Term Debt Lender have consented to the transactions contemplated hereby and by the Security Documents (as defined below), and the Agent, the Banks and the Term Debt Lender have agreed that the Company's obligations under the Credit Agreement and the Term Note shall be equally and ratably secured pursuant to this Agreement and the other Security Documents in accordance with the terms of the Intercreditor Agreement.

H. The Debtors have directly and indirectly benefited and will directly and indirectly benefit from the transactions evidenced by and contemplated in the Credit Agreement and the Term Note and have consented to the execution and delivery of the Intercreditor Agreement.

**NOW, THEREFORE**, in consideration of the premises and for other good and valuable consideration, the adequacy, receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

## **ARTICLE I** **DEFINITIONS**

**Section 1.1 Definitions.** As used in this Agreement, capitalized terms not otherwise defined herein have the meanings provided for such terms in the Intercreditor Agreement. References to "Sections," "subsections," "Exhibits" and "Schedules" shall be to Sections, subsections, Exhibits and Schedules, respectively, of this Agreement unless otherwise specifically provided. All references to statutes and regulations shall include any amendments of the same and any successor statutes and regulations. References to particular sections of the UCC should be read to refer also to parallel sections of the Uniform Commercial Code as enacted in each state or other jurisdiction where any portion of the Collateral is or may be located.

The following terms have the meanings indicated below, all such definitions to be equally applicable to the singular and plural forms of the terms defined:

"Account" means any "account," as such term is defined in Article or Chapter 9 of the UCC, now owned or hereafter acquired by a Debtor, and, in any event, shall include, without limitation, each of the following, whether now owned or hereafter acquired by such Debtor: (a) all rights of the Debtor to payment for goods sold or leased or services rendered, whether or not earned by performance, (b) all accounts receivable of the Debtor, (c) all rights of the Debtor to receive any payment of money or other form of consideration, (d) all security pledged, assigned



or granted to or held by the Debtor to secure any of the foregoing, (e) all guaranties of, or indemnifications with respect to, any of the foregoing, and (f) all rights of the Debtor as an unpaid seller of goods or services, including, but not limited to, all rights of stoppage in transit, replevin, reclamation and resale.

"Banks" has the meaning specified in the recitals hereto.

"Benefited Obligations" has the meaning specified in the Intercreditor Agreement.

"Benefited Parties" has the meaning specified in the Intercreditor Agreement.

"Business Day" has the meaning specified in the Credit Agreement.

"Capitalized Lease" shall mean, as applied to any Person, any lease of any property (whether real, personal or mixed) which such Person is required to capitalize on its balance sheet in conformity with GAAP.

"Chattel Paper" means any "chattel paper," as such term is defined in Article or Chapter 9 of the UCC, now owned or hereafter acquired by a Debtor, and shall include electronic chattel paper and tangible chattel paper.

"Collateral" has the meaning specified in Section 2.1 of this Agreement.

"Collateral Agent" shall have the meaning specified in the Intercreditor Agreement.

"Computer Records" has the meaning specified in Section 2.1(f) of this Agreement.

"Credit Agreement" has the meaning specified in the recitals hereto.

"Default" shall have the meaning specified in the Intercreditor Agreement.

"Deposit Account" shall mean a demand, time, savings, passbook, or similar account maintained with a bank but does not include Investment Property or Accounts evidenced by an instrument.

"Directing Party" has the meaning specified in the Intercreditor Agreement.

"Document" means any "document," as such term is defined in Article or Chapter 9 of the UCC, now owned or hereafter acquired by the Debtor, including, without limitation, all documents of title and all receipts covering, evidencing or representing goods now owned or hereafter acquired by a Debtor.

"Equipment" means any "equipment," as such term is defined in Article or Chapter 9 of the UCC, now owned or hereafter acquired by a Debtor and, in any event, shall include, without limitation, all machinery, equipment, furniture, trade fixtures, tractors, trailers, rolling stock, vessels, aircraft and vehicles now owned or hereafter acquired by such Debtor and any and all additions, substitutions and replacements of any of the foregoing, wherever located, together

with all attachments, components, parts, equipment and accessories installed thereon or affixed thereto.

"Event of Default" has the meaning specified in the Intercreditor Agreement.

"Financing Agreements" has the meaning specified in the Intercreditor Agreement.

"General Intangibles" means any "general intangibles," as such term is defined in Article or Chapter 9 of the UCC, now owned or hereafter acquired by a Debtor and, in any event, shall include, without limitation, each of the following, whether now owned or hereafter acquired by such Debtor: (a) all of the Debtor's patents, copyrights, trademarks, service marks, trade names, trade secrets, registrations, goodwill, franchises, licenses, permits, proprietary information, customer lists, designs, inventions and all other intellectual property and proprietary rights, including without limitation those described on Schedule F attached hereto and incorporated herein by reference (collectively, the "Intellectual Property Collateral"); (b) all of the Debtor's books, records, data, plans, manuals, computer software, computer tapes, computer disks, computer programs, source codes, object codes and all rights of the Debtor to retrieve data and other information from third parties; (c) all of the Debtor's contract rights, commercial tort claims, partnership interests, membership interests, joint venture interests, securities, deposit accounts, investment accounts and certificates of deposit; (d) all rights of the Debtor to payment under chattel paper, documents, instruments and similar agreements; (e) letters of credit, letters of credit rights, supporting obligations and rights to payment for money or funds advanced or sold of the Debtor; (f) all tax refunds and tax refund claims of the Debtor; (g) all choses in action and causes of action of the Debtor (whether arising in contract, tort or otherwise and whether or not currently in litigation) and all judgments in favor of the Debtor; (h) all rights and claims of the Debtor under warranties and indemnities; and (i) all rights of the Debtor under any insurance, surety or similar contract or arrangement.

"Governmental Authority" shall mean any nation or government, any state, province or other political subdivision thereof, any central bank (or similar monetary or regulatory authority) thereof, any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, and any corporation or other entity owned or controlled, through stock or capital ownership or otherwise, by any of the foregoing.

"Instrument" means any "instrument," as such term is defined in Article or Chapter 9 of the UCC, now owned or hereafter acquired by the Debtor, and, in any event, shall include all promissory notes (including without limitation, the Intercompany Notes of such Debtor), drafts, bills of exchange and trade acceptances, whether now owned or hereafter acquired.

"Intellectual Property Collateral" is defined in clause (a) of the definition of General Intangibles.

"Intercompany Note" shall mean any promissory note issued or to be issued by any Debtor or other Loan Party to any other Debtor, Loan Party or Subsidiary to evidence an intercompany loan.

"Intercreditor Agreement" shall have the meaning specified in the recitals hereto.

"Inventory" means any "inventory," as such term is defined in Article or Chapter 9 of the UCC, now owned or hereafter acquired by a Debtor, and, in any event, shall include, without limitation, each of the following, whether now owned or hereafter acquired by such Debtor: (a) all goods and other personal property of the Debtor that are held for sale or lease or to be furnished under any contract of service; (b) all raw materials, work-in-process, finished goods, supplies and materials of the Debtor; (c) all wrapping, packaging, advertising and shipping materials of the Debtor; (d) all goods that have been returned to, repossessed by or stopped in transit by the Debtor; and (e) all Documents evidencing any of the foregoing.

"Investment Property" means any "investment property" as such term is defined in Article or Chapter 9 of the UCC, now owned or hereafter acquired by a Debtor, and in any event, shall include without limitation all shares of stock and other equity, partnership or membership interests constituting securities, of the domestic Subsidiaries of such Debtor from time to time owned or acquired by such Debtor in any manner (including, without limitation, the Pledged Shares), and the certificates and all dividends, cash, instruments, rights and other property from time to time received, receivable or otherwise distributed or distributable in respect of or in exchange for any or all of such shares;

"Joint Venture" has the meaning specified in the Credit Agreement.

"Lien" shall mean any pledge, assignment, hypothecation, mortgage, security interest, deposit arrangement, option, trust receipt, conditional sale or title retaining contract, sale and leaseback transaction, financing statement or comparable notice or other filing or recording, Capitalized Lease, subordination of any claim or right, or any other type of lien, charge, encumbrance, preferential or priority arrangement, whether based on common law or statute.

"Loan Party" has the meaning specified in the Credit Agreement.

"Permitted Liens" shall mean any lien or encumbrance which is specifically permitted under and pursuant to the terms and conditions of the Financing Agreements.

"Person" shall mean a natural person, corporation, limited liability company, partnership, limited liability partnership, trust, incorporated or unincorporated organization, joint venture, joint stock company, or a government or any agency or political subdivision thereof or other entity of any kind.

"Pledged Shares" means the shares of capital stock or other equity, partnership or membership interests described on Schedule D attached hereto and incorporated herein by reference.

"Proceeds" means any "proceeds," as such term is defined in Article or Chapter 9 of the UCC and, in any event, shall include, but not be limited to, (a) any and all proceeds of any insurance, indemnity, warranty or guaranty payable to a Debtor from time to time with respect to any of the Collateral, (b) any and all payments (in any form whatsoever) made or due and payable to a Debtor from time to time in connection with any requisition, confiscation, condemnation, seizure or forfeiture of all or any part of the Collateral by any governmental authority (or any Person acting, or purporting to act, for or on behalf of any governmental

authority), and (c) any and all other amounts from time to time paid or payable under or in connection with any of the Collateral.

“Records” is defined in Section 4.9 of this Agreement.

“Security Documents” has the meaning specified in the Intercreditor Agreement.

“Senior Debt Agreements” has the meaning specified in the recitals hereto.

“Software” means all (i) computer programs and supporting information provided in connection with a transaction relating to the program, and (ii) computer programs embedded in goods and any supporting information provided in connection with a transaction relating to the program whether or not the program is associated with the goods in such a manner that it customarily is considered part of the goods, and whether or not, by becoming the owner of the goods, a person acquires a right to use the program in connection with the goods, and whether or not the program is embedded in goods that consist solely of the medium in which the program is embedded.

“Subordination Agreement” means that certain subordination agreement by and between Comerica and QP Acquisition #1, Inc., dated June 2, 2003.

“Subsidiary” has the meaning specified in the Intercreditor Agreement.

“Term Debt Lender” has the meaning specified in the recitals hereto.

“Term Note” has the meaning specified in the recitals hereto.

“UCC” means the Uniform Commercial Code as in effect in the State of Michigan; provided, that if, by applicable law, the perfection or effect of perfection or non-perfection of the security interest created hereunder in any Collateral is governed by the Uniform Commercial Code as in effect on or after the date hereof in any other jurisdiction, “UCC” means the Uniform Commercial Code as in effect in such other jurisdiction for purposes of the provisions hereof relating to such perfection or the effect of perfection or non-perfection.

## **ARTICLE II**

### **SECURITY INTEREST**

**Section 2.1 Security Interest.** As collateral security for the prompt payment and performance in full when due of the Benefited Obligations (whether at stated maturity, by acceleration or otherwise), each Debtor hereby pledges and, solely as collateral, assigns to the Collateral Agent, and grants the Collateral Agent a continuing lien on and security interest in, all of such Debtor’s right, title and interest in and to the following, whether now owned or hereafter arising or acquired and wherever located (collectively, the “Collateral”):

- (a) all Accounts;
- (b) all Chattel Paper;

- (c) all General Intangibles;
- (d) all Equipment;
- (e) all Inventory;
- (f) all computer records ("Computer Records") and Software, whether relating to the foregoing Collateral or otherwise, but in the case of such Software, subject to the rights of any non-affiliated licensee of software and any cash collateral, deposit account or investment account established or maintained hereunder, including without limitation under Section 6.3 hereof,
- (g) all Investment Property;
- (h) all Documents;
- (i) all Instruments;
- (j) all Deposit Accounts; and
- (k) the Proceeds, in cash or otherwise, of any of the property described in the foregoing clauses (a) through (g) and all liens, security, rights, remedies and claims of such Debtor with respect thereto;

provided, however, that "Collateral" shall not include rights under or with respect to any General Intangible, equity interest or ownership interest in any Joint Venture ("Joint Venture Interest"), license, permit or authorization to the extent any such General Intangible, Joint Venture Interest, license, permit or authorization, by its terms or by law, prohibits the assignment of, or the granting of a security interest in, the rights of a grantor thereunder or which would be invalid or unenforceable upon any such assignment or grant. The pledge and grant of a security interest in Proceeds shall not be deemed to give the applicable Debtor any right to dispose of any of the Collateral, except as may otherwise be permitted herein or in the Financing Agreements.

Each Debtor hereby irrevocably authorizes the Collateral Agent at any time and from time to time during the term hereof to file in any filing office in any UCC jurisdiction any initial financing statements and amendments thereto that (a) indicate any or all of the Collateral upon which the Debtors have granted a Lien, and (b) provide any other information required by Part 5 of Article 9 of the UCC, including organizational information and in the case of a fixture filing or indicating Collateral as as-extracted collateral or timber to be cut, a sufficient description of real property to which the Collateral related. Each Debtor agrees to furnish any such information to the Collateral Agent promptly upon request.

**Section 2.2 Debtors Remain Liable.** Notwithstanding anything to the contrary contained herein, (a) the Debtors shall remain liable under the contracts, agreements, documents and instruments included in the Collateral to the extent set forth therein to perform all of its duties and obligations thereunder to the same extent as if this Agreement had not been executed, (b) the exercise by the Collateral Agent or any of the Benefited Parties of any of their respective rights or remedies hereunder shall not release the Debtors from any of their duties or obligations

under the contracts, agreements, documents and instruments included in the Collateral, and (c) neither the Collateral Agent nor any of the Benefited Parties shall have any indebtedness, liability or obligation (by assumption or otherwise) under any of the contracts, agreements, documents and instruments included in the Collateral by reason of this Agreement, and none of such parties shall be obligated to perform any of the obligations or duties of the Debtors thereunder or to take any action to collect or enforce any claim for payment assigned hereunder.

**Section 2.3 Delivery of Collateral.** All certificates or instruments representing or evidencing the Pledged Shares, promptly upon a Debtor gaining any rights therein, shall be delivered to and held by or on behalf of the Collateral Agent pursuant hereto in suitable form for transfer by delivery, or accompanied by duly executed stock powers or instruments of transfer or assignments in blank, all in form and substance reasonably satisfactory to the Collateral Agent.

**Section 2.4 Impairment of Collateral.** So long as no Event of Default has occurred and is continuing, the Collateral Agent shall make reasonable efforts not to render any registered patent unenforceable or invalid, including due to division of ownership in violation of any terminal disclaimer affecting such patent.

### **ARTICLE III** **REPRESENTATIONS AND WARRANTIES**

To induce the Collateral Agent to enter into this Agreement and the Intercreditor Agreement, and to induce the Banks and the Term Debt Lender to enter into the Financing Agreements, each Debtor represents and warrants to the Collateral Agent and to each Bank and the Term Debt Lender that as of the date hereof:

**Section 3.1 Title.** (a) Such Debtor is, and with respect to Collateral acquired after the date hereof such Debtor will be the legal and beneficial owner of the Collateral free and clear of any Lien or other encumbrance, except for the Permitted Liens and the other Liens permitted under the Financing Agreements, provided that, other than the Lien established hereby, no Lien on the Collateral described in clause (g) of Section 2.1 shall constitute a Permitted Lien or a Lien otherwise permitted under the Financing Agreements, (b) none of the Collateral constitutes, or is the proceeds of "farm products" as defined in Section 9-102(a)(34) of the Uniform Commercial Code, (c) such Debtor has at all times operated its business in compliance with all applicable provisions of the federal Fair Labor Standards Act, as amended.

**Section 3.2 Financing Statements.** No financing statement, security agreement or other Lien instrument covering all or any part of the Collateral is on file in any public office with respect to any outstanding obligation of such Debtor except (i) as may have been filed in favor of the Collateral Agent pursuant to this Agreement and the other Security Documents and (ii) financing statements filed to perfect Permitted Liens or other Liens permitted under the Financing Agreements. As of the date hereof, except as otherwise disclosed on Schedule E hereto, the Debtor does not do business and has not done business under a trade name or any name other than its legal name set forth at the beginning of this Agreement.

**Section 3.3 Principal Place of Business; Registered Organization; Change in Form or Jurisdiction.** The principal place of business and chief executive office of the Debtor,

and the office where the Debtor keeps its books and records, is located at the address of the Debtor shown on the signature page hereto. Each Debtor is duly organized and validly existing as a corporation (or other business organization) under the laws of its jurisdiction of organization, as set forth on Schedule C, and has the registration number set forth on such Schedule C, and the Debtor has not changed its corporate form or its jurisdiction of organization at any time during the past five (5) years, except as set forth on such Schedule C.

**Section 3.4 Location of Collateral.** All Inventory (except Inventory in transit) and Equipment (other than vehicles) of the Debtor in the possession of the Debtor are located at the places specified on Schedule A hereto. If any such location is leased by the Debtor as of the date hereof, the name and address of the landlord leasing such location to the Debtor is identified on Schedule A hereto. If any Inventory or Equipment is held by a warehouseman or bailee, the name and address of such Person is identified on Schedule A hereto. All Deposit Accounts of the Debtor are located at the banks and have the account numbers specified on Schedule A attached hereto. None of the Inventory or Equipment of the Debtor (other than trailers, rolling stock, vessels, aircraft and vehicles) is evidenced by a Document (including, without limitation, a negotiable document of title). All certificates of the Debtor representing shares of stock of any domestic Subsidiary (including, without limitation, the Pledged Shares) will be delivered to the Collateral Agent, accompanied by duly executed stock powers or instruments of transfer or assignments in blank with respect thereto.

**Section 3.5 Perfection.** Upon the filing of Uniform Commercial Code financing statements in the jurisdictions listed on Schedule B attached hereto, and upon the Collateral Agent's obtaining possession of the certificates evidencing the Pledged Shares accompanied by duly executed stock powers or instruments of transfer or assignments in blank, or upon the execution and delivery of control agreements or similar documentation (with respect to any cash collateral or deposit account established hereunder), the security interest in favor of the Collateral Agent created herein will constitute a valid and perfected Lien upon and security interest in the Collateral which may be created and perfected under the UCC by filing financing statements or obtaining possession thereof, subject to no equal or prior Liens except for those (if any) which constitute Permitted Liens or other Liens permitted under the Financing Agreements.

**Section 3.6 Pledged Shares.**

(a) The Pledged Shares that are shares of a corporation have been duly authorized and validly issued and are fully paid and nonassessable, and the Pledged Shares that are membership interests or partnership units (if any) have been validly granted, under the laws of the jurisdiction of organization of the issuers thereof, and, to the extent applicable, are fully paid and nonassessable. No such membership or partnership interests constitute "securities" within the meaning of Article 8 of the UCC, and each Debtor covenants and agrees not to allow any such membership or partnership interest to become "securities" for purposes of Article 8 of the UCC.

(b) Each Debtor is the legal and beneficial owner of the Pledged Shares, free and clear of any Lien (other than the Liens created by this Agreement), and the Debtor has not sold, granted any option with respect to, assigned, transferred or otherwise disposed of any of its rights or interest in or to the Pledged Shares. None of the Pledged Shares are subject to any contractual

or other restrictions upon the pledge or other transfer of such Pledged Shares, other than those imposed by securities laws generally. No issuer of Pledged Shares is party to any agreement granting "control" (as defined in Section 8-106 of the UCC) of such Debtor's Pledged Shares to any third party. All such Pledged Shares are held by each Debtor directly and not through any securities intermediary.

(c) On the date hereof, the Pledged Shares constitute the percentage of the issued and outstanding shares of stock, partnership units or membership interests of the issuers thereof indicated on Schedule D and such schedule contains a description of all shares of capital stock, membership interests and other equity interests of or in any domestic Subsidiaries owned by the Debtor (as such Schedule D may from time to time be supplemented, amended or modified in accordance with the terms of this Agreement).

**Section 3.7 Intellectual Property.** Schedule F is a true, accurate and complete list of all pending or issued patents, registered trademarks, registered copyrights and other intellectual property owned or licensed (pursuant to an exclusive or non-exclusive license) by the Debtors and used in the Debtors' respective businesses' (as such Schedule F may from time to time be supplemented, amended or modified in accordance with the terms of this Agreement), and except as otherwise indicated on Schedule F, all such intellectual property has been registered or filed with the U.S. Patent and Trademark Office or the U.S. Copyright Office, as applicable.

#### **ARTICLE IV** **COVENANTS**

Each Debtor covenants and agrees with the Collateral Agent that until the Benefited Obligations are paid and performed in full and all commitments to lend or provide other credit accommodations under the Credit Agreement have been terminated:

**Section 4.1 Encumbrances.** The Debtor shall not create, permit or suffer to exist, and shall defend the Collateral against, any Lien or other encumbrance (other than the Liens created by this Agreement, the Permitted Liens, Liens in favor of QP Acquisition #1, Inc. that are subordinate to the Liens created hereby pursuant to the terms and conditions of the Subordination Agreement and the other Liens permitted under the Financing Agreements) or any restriction upon the pledge or other transfer thereof (other than as provided in the Financing Agreements), and shall, subject only to the Permitted Liens and the other Liens permitted under the Financing Agreements, defend the Debtor's title to and other rights in the Collateral and the Collateral Agent's pledge and collateral assignment of and security interest in the Collateral against the claims and demands of all Persons. Except to the extent permitted by the Financing Agreements or in connection with any release of Collateral under Section 7.13 hereof (but only to the extent of any Collateral so released), the Debtor shall do nothing to impair the rights of the Collateral Agent in the Collateral.

**Section 4.2 Collection of Accounts and Contracts; No Commingling.** The Debtor shall, in accordance with its usual business practices, endeavor to collect or cause to be collected from each account debtor under its Accounts, as and when due, any and all amounts owing under such Accounts.



**Section 4.3 Disposition of Collateral.** To the extent prohibited by the terms of the Financing Agreements, the Debtor shall not enter into or consummate any transfer or other disposition of assets without the prior written consent of the applicable Benefited Parties, according to the terms of the applicable Financing Agreements, except that a Debtor may fail to pay maintenance fees, annuities or renewals for intellectual property that such Debtor determines to abandon consistent with commercially reasonable business practices.

**Section 4.4 Further Assurances.** At any time and from time to time, upon the request of the Collateral Agent, and at the sole expense of the Debtor, the Debtor shall promptly execute and deliver all such further agreements, documents and instruments and take such further action as the Collateral Agent may reasonably deem necessary or appropriate to preserve and perfect its security interest in and pledge and collateral assignment of the Collateral (including causing the Collateral Agent's name to be noted as secured party on any certificate of title for a titled good if such notation is a condition of the Collateral Agent's ability to enforce its security interest in such Collateral), and carry out the provisions and purposes of this Agreement or to enable the Collateral Agent to exercise and enforce its rights and remedies hereunder with respect to any of the Collateral. Except as otherwise expressly permitted by the terms of the Financing Agreements relating to disposition of assets and except for Permitted Liens and other Liens permitted under the Financing Agreements, the Debtor agrees to maintain and preserve the Collateral Agent's security interest in and pledge and collateral assignment of the Collateral hereunder. Without limiting the generality of the foregoing, the Debtor shall (a) execute and deliver to the Collateral Agent such financing statements as the Collateral Agent may from time to time require; and (b) execute and deliver to the Collateral Agent such other agreements, documents and instruments, including without limitation control agreements or stock powers, as the Collateral Agent may require to perfect and maintain the validity, effectiveness and priority of the Liens intended to be created by the Security Documents.

**Section 4.5 Insurance.** The Collateral pledged by such Debtor or the Debtors will be insured (to the extent such Collateral is insurable) with insurance coverage in such amounts and of such types as are customarily carried by companies similar in size and nature. In the case of all such insurance policies, each such Debtor shall designate the Collateral Agent, as mortgagee or lender loss payee and such policies shall provide that any loss be payable to the Collateral Agent, as mortgagee or lender loss payee, as its interests may appear. Further, upon the reasonable request of the Collateral Agent, each such Debtor shall deliver certificates evidencing such policies, including all endorsements thereon and those required hereunder, to Collateral Agent; and each such Debtor assigns to Collateral Agent, as additional security hereunder, all its rights to receive proceeds of insurance with respect to the Collateral (except as expressly limited hereby). All such insurance shall, by its terms, provide that the applicable carrier shall, prior to any cancellation before the expiration date thereof, mail 30 days' prior written notice to the Collateral Agent of such cancellation. Each Debtor further shall provide Collateral Agent upon reasonable request with evidence reasonably satisfactory to Collateral Agent that each such Debtor is at all times in compliance with this paragraph. Upon the occurrence and during the continuance of an Event of Default, Collateral Agent may act as each such Debtor's attorney-in-fact in obtaining, adjusting, settling and compromising such insurance and endorsing any drafts. Upon Debtor's failure to insure the Collateral as required in this covenant, Collateral Agent may procure such insurance and its costs therefor shall be charged to Debtor, payable on demand, with interest at the highest rate set forth in the Financing Agreements and added to the Benefited

Obligations secured hereby. The disposition of proceeds payable to such Debtor of any insurance on the Collateral ("Insurance Proceeds") shall be governed by the following:

(i) provided that no Event of Default has occurred and is continuing hereunder, (a) if the amount of Insurance Proceeds in respect of any loss or casualty does not exceed Two Hundred Fifty Thousand Dollars (\$250,000), such Debtor shall be entitled, in the event of such loss or casualty, to receive all such Insurance Proceeds and to apply the same toward the replacement of the Collateral affected thereby or to the purchase of other assets to be used in the Debtor's business (provided that such assets shall be subjected to a first lien in favor of Collateral Agent); and (b) if the amount of Insurance Proceeds in respect of any loss or casualty exceeds Two Hundred Fifty Thousand Dollars (\$250,000), such Insurance Proceeds shall be paid to and received by Collateral Agent, for release to such Debtor for the replacement of the Collateral affected thereby or to the purchase of other assets to be used in the Debtor's business (provided that such assets shall be subjected to a first lien in favor of Collateral Agent); or, upon written request of such Debtor (accompanied by reasonable supporting documentation), for such other use or purpose as approved by the Requisite Senior Creditors, in their reasonable discretion, it being understood and agreed in connection with any release of funds under this subparagraph (b), that the Collateral Agent may impose reasonable and customary conditions on the disbursement of such Insurance Proceeds; and

(ii) if an Event of Default has occurred or is continuing and is not waived as provided in the Intercreditor Agreement, all Insurance Proceeds in respect of any loss or casualty shall be paid to and received by the Collateral Agent, to be applied by the Collateral Agent against the Benefited Obligations and/or to be held by the Collateral Agent as cash collateral for the Benefited Obligations, as specified in the Intercreditor Agreement.

**Section 4.6 Bailees.** If more than \$1,000,000 in aggregate amount of the Collateral (other than vehicles and Inventory in transit) is at any time in the possession or control of any warehouseman, bailee or any of the Debtor's agents or processors not already disclosed to the Collateral Agent by name and address pursuant to the terms of Section 3.4, the Debtor shall notify the Collateral Agent (and revise Schedule A to this Agreement to this effect), and at the request of the Collateral Agent, notify such warehouseman, bailee, agent or processor of the security interest created hereunder, shall instruct such Person to hold such Collateral for the Collateral Agent's account subject to the Collateral Agent's instructions without further consent of the Debtor and shall obtain for the Collateral Agent such Person's acknowledgment of the same.

**Section 4.7 Furnishing of Information and Inspection Rights.** The Debtor will, at any time and from time to time during regular business hours, upon reasonable advance notice (except if any Event of Default has occurred and is continuing, when no prior notice shall be required), permit the Collateral Agent, or its agents or representatives, to examine and make copies of and abstracts from all Records, to visit the offices and properties of the Debtor for the purpose of examining such Records, and to discuss matters relating to Debtor's performance

hereunder and under the other Financing Agreements with any of the officers, directors, employees or independent public accountants of the Debtor having knowledge of such matters; provided, however, that the Collateral Agent acknowledges that, in exercising the rights and privileges conferred in this Section 4.7, it or its agents and representatives may, from time to time, obtain knowledge of information, practices, books, correspondence and records of a confidential nature and in which the Debtor has a proprietary interest. The Collateral Agent agrees that all such information, practices, books, correspondence and records are to be regarded as confidential information and agrees that it shall be subject to Section 12.11 of the Credit Agreement. Notwithstanding anything to the contrary in this Agreement or in Section 12.11 of the Credit Agreement, the Collateral Agent may reply to a request from any Person for information related to any Collateral referred to in any financing statement filed to perfect the security interest and liens established hereby, to the extent necessary to maintain the perfection or priority of such security interests or liens, or otherwise required under applicable law. Furthermore, the Debtor shall permit the Collateral Agent and its representatives to examine, inspect and audit the Collateral and to examine, inspect and audit the Debtor's books and Records to the extent provided under the Financing Agreements.

**Section 4.8 Corporate Changes.** The Debtor shall not change its name, identity, corporate structure, or jurisdiction of organization in any manner that might make any financing statement filed in connection with this Agreement seriously misleading within the meaning of Section 9-506 of the UCC unless the Debtor shall have given the Collateral Agent thirty (30) days prior written notice thereof and shall have taken all action deemed necessary by the Collateral Agent to protect its Liens and the perfection and priority thereof. The Debtor shall not change its principal place of business, chief executive office or the place where it keeps its books and records unless it shall have given the Collateral Agent thirty (30) days prior written notice thereof and shall have taken all action deemed necessary by the Collateral Agent to cause its security interest in the Collateral to be perfected with the priority required by this Agreement.

**Section 4.9 Books and Records.** The Debtor shall keep accurate and complete books and records (the "Records") of the Collateral and the Debtor's business and financial condition in accordance with the terms and conditions of the Financing Agreements.

**Section 4.10 Equipment and Inventory.**

(a) Except to the extent otherwise permitted by Section 4.6 hereto, the Debtor shall keep the Equipment (other than vehicles) and Inventory (other than Inventory in transit) at the locations specified on Schedule A hereto or upon prompt written notice to the Collateral Agent, at such other places within the United States of America where all action required to perfect the Collateral Agent's security interest in the Equipment and Inventory with the priority required by this Agreement shall have been taken.

(b) The Debtor shall maintain the Equipment and Inventory in accordance with the terms of the Financing Agreements.

**Section 4.11 Notification.** The Debtor shall promptly notify the Collateral Agent in writing of any Lien, encumbrance or claim (other than a Permitted Lien or other Liens permitted under the Financing Agreements, to the extent not otherwise subject to any notice requirements

under the Financing Agreements) that has attached to or been made or asserted against any of the Collateral upon becoming aware of the existence of such Lien, encumbrance or claim.

**Section 4.12 Collection of Accounts.** So long as no Event of Default has occurred and is continuing and except as otherwise provided in this Section 4.12 and Section 6.3, the Debtor shall have the right to collect and receive payments on the Accounts, and to use and expend the same in its operations, in each case in compliance with the terms of each of the Financing Agreements.

**Section 4.13 Voting Rights; Distributions, Etc.**

(a) So long as no Event of Default shall have occurred and be continuing (both before and after giving effect to any of the actions or other matters described in clauses (i) or (ii) of this subparagraph):

(i) The Debtor shall be entitled to exercise any and all voting and other consensual rights (including, without limitation, the right to give consents, waivers and ratifications) pertaining to any of the Pledged Shares or any part thereof; provided, however, that no vote shall be cast or consent, waiver or ratification given or action taken without the prior written consent of the Collateral Agent which would violate any material provision of this Agreement or any of the Financing Agreements; and

(ii) Except as otherwise provided by any of the Financing Agreements, the Debtor shall be entitled to receive and retain any and all dividends, distributions and interest paid in respect to any of the Pledged Shares.

(b) Upon the occurrence and during the continuance of an Event of Default:

(i) The Collateral Agent may, without notice to the Debtor, transfer or register in the name of the Collateral Agent or any of its nominees, for the equal and ratable benefit of the Banks and the Term Debt Lender, any or all of the Pledged Shares and the Proceeds thereof (in cash or otherwise) held by the Collateral Agent hereunder, and the Collateral Agent or its nominee may thereafter, after delivery of notice to the Debtor, exercise all voting and corporate rights at any meeting of any corporation issuing any of the Pledged Shares and any and all rights of conversion, exchange, subscription or any other rights, privileges or options pertaining to any of the Pledged Shares as if the Collateral Agent were the absolute owner thereof, including, without limitation, the right to exchange, at its discretion, any and all of the Pledged Shares upon the merger, consolidation, reorganization, recapitalization or other readjustment of any corporation issuing any of such Pledged Shares or upon the exercise by any such issuer or the Collateral Agent of any right, privilege or option pertaining to any of the Pledged Shares, and in connection therewith, to deposit and deliver any and all of the Pledged Shares with any committee, depositary, transfer agent, registrar or other designated agency upon such terms and conditions as the Collateral Agent may determine, all without liability except to account for property actually

received by it, but the Collateral Agent shall have no duty to exercise any of the aforesaid rights, privileges or options, and the Collateral Agent shall not be responsible for any failure to do so or delay in so doing.

(ii) All rights of the Debtor to exercise the voting and other consensual rights which it would otherwise be entitled to exercise pursuant to Subsection 4.14(a)(i) and to receive the dividends, interest and other distributions which it would otherwise be authorized to receive and retain pursuant to Subsection 4.14(a)(ii) shall be suspended until such Event of Default shall no longer exist, and all such rights shall, until such Event of Default shall no longer exist, thereupon become vested in the Collateral Agent which shall thereupon have the sole right to exercise such voting and other consensual rights and to receive, hold and dispose of as Pledged Shares such dividends, interest and other distributions.

(iii) All dividends, interest and other distributions which are received by the Debtor contrary to the provisions of this Subsection 4.14(b) shall be received in trust for the benefit of the Collateral Agent, shall be segregated from other funds of the Debtor and shall be forthwith paid over to the Collateral Agent as Collateral in the same form as so received (with any necessary endorsement).

(iv) The Debtor shall execute and deliver (or cause to be executed and delivered) to the Collateral Agent all such proxies and other instruments as the Collateral Agent may reasonably request for the purpose of enabling the Collateral Agent to exercise the voting and other rights which it is entitled to exercise pursuant to this Subsection 4.14(b) and to receive the dividends, interest and other distributions which it is entitled to receive and retain pursuant to this Subsection 4.14(b). The foregoing shall not in any way limit the Collateral Agent's power and authority granted pursuant to Section 5.1.

**Section 4.14 Transfers and Other Liens; Additional Investments.** The Debtor agrees that, (a) except with the written consent of the Collateral Agent, it will not permit any domestic Subsidiary to issue to Debtor or any of Debtor's other Subsidiaries any shares of stock, membership interests, partnership units, notes or other securities or instruments (including without limitation, the Pledged Shares) in addition to or in substitution for any of the Collateral, unless, concurrently with each issuance thereof, any and all such shares of stock, membership interests, partnership units, notes or instruments are encumbered in favor of the Collateral Agent under this Agreement or otherwise (it being understood and agreed that all such shares of stock, membership interests, partnership units, notes or instruments issued to Debtor shall, without further action by Debtor or Collateral Agent, be automatically encumbered by this Agreement as Pledged Shares) and (b) it will promptly upon the written request of Collateral Agent following the issuance thereof (and in any event within five (5) Business Days following such request) deliver to the Collateral Agent (i) an amendment, duly executed by the Debtor, in substantially the form of Exhibit A hereto (an "Amendment"), in respect of such shares of stock, membership interests, partnership units, notes or instruments issued to Debtor or (ii) a new stock pledge, duly executed by the applicable Subsidiary, in substantially the form of this Agreement (a "New Pledge"), in respect of such shares of stock, membership interests, partnership units, notes or instruments issued to any Subsidiary granting to Collateral Agent, for the benefit of the

Benefited Parties, a first priority security interest, pledge and lien thereon, together in each case with all certificates, notes or other instruments representing or evidencing the same. The Debtor hereby (x) authorizes the Collateral Agent to attach each Amendment to this Agreement, (y) agrees that all such shares of stock, membership interests, partnership units, notes or instruments listed in any Amendment delivered to the Collateral Agent shall for all purposes hereunder constitute Pledged Shares, and (z) is deemed to have made, upon the delivery of each such Amendment, the representations and warranties contained in Sections 3.1, 3.2, 3.4, 3.5 and 3.6 of this Agreement with respect to the Collateral covered thereby.

**Section 4.15 Possession; Reasonable Care.** Regardless of whether a Default or an Event of Default has occurred or is continuing, the Collateral Agent shall have the right to hold in its possession all Pledged Shares pledged, assigned or transferred hereunder and from time to time constituting a portion of the Collateral. The Collateral Agent may appoint one or more agents (which in no case shall be the Debtor or an affiliate of the Debtor) to hold physical custody, for the account of the Collateral Agent, of any or all of the Collateral. The Collateral Agent shall be deemed to have exercised reasonable care in the custody and preservation of the Collateral in its possession if the Collateral is accorded treatment substantially equal to that which the Collateral Agent accords its own property, it being understood that the Collateral Agent shall not have any responsibility for (a) ascertaining or taking action with respect to calls, conversions, exchanges, maturities, tenders or other matters relative to any Collateral, whether or not the Collateral Agent has or is deemed to have knowledge of such matters, or (b) taking any necessary steps to preserve rights against any parties with respect to any Collateral, except, subject to the terms hereof, upon the written instructions of the Directing Party. Following the occurrence and continuance of an Event of Default, the Collateral Agent shall be entitled to take possession of the Collateral in accordance with the UCC.

**Section 4.16 Future Subsidiaries / Additional Collateral.**

(a) With respect to each Person which becomes a domestic Subsidiary (which, for all purposes of this Agreement, shall include any Subsidiary which is not a "controlled foreign corporation" under Section 956 of the Internal Revenue Code, or any successor provision) subsequent to the date hereof, within thirty (30) days of the date such Person becomes a domestic Subsidiary, Debtor will cause such Subsidiary to execute and deliver to the Collateral Agent a security agreement, substantially in the form of this Agreement (or joinder agreement satisfactory to Collateral Agent), granting to the Collateral Agent, for the benefit of the Benefited Parties, a first priority security interest, mortgage and lien encumbering all right, title and interest of such Person in property, rights and interests of the type included in the definition of the Collateral, subject only to the Permitted Liens and the other Liens permitted under the Financing Agreements.

(b) With respect to any intellectual property owned, licensed or otherwise acquired by any Debtor after the date hereof, such Debtor shall disclose such intellectual property in each Covenant Compliance Report (as defined in the Credit Agreement), and shall execute or cause to be executed and delivered simultaneously with the delivery of such Covenant Compliance Report (i) an amendment, duly executed by the Debtor, in substantially the form of Exhibit A hereto (an "Amendment"), in respect of such additional collateral or (ii) a new security agreement, duly executed by the applicable Debtor, in substantially the form of this Agreement,

in respect of such additional collateral, granting to Collateral Agent, for the benefit of the Benefited Parties, a first priority security interest, pledge and lien thereon (subject only to the Permitted Liens and the other Liens permitted under the Financing Agreements), together in each case with all certificates, notes or other instruments representing or evidencing the same, and shall, upon Collateral Agent's request, execute or cause to be executed any financing statement or other document (including without limitation, filings required by the U.S. Patent and Trademark Office and/or the U.S. Copyright Office in connection with any such additional collateral). The Debtor hereby (x) authorizes the Collateral Agent to attach each Amendment to this Agreement, (y) agrees that all such additional collateral listed in any Amendment delivered to the Collateral Agent shall for all purposes hereunder constitute Collateral, and (z) is deemed to have made, upon the delivery of each such Amendment, the representations and warranties contained in Sections 3.1, 3.2, 3.4, 3.5, 3.7 of this Agreement with respect to the Collateral covered thereby.

**Section 4.17 Promissory Notes and Tangible Chattel Paper.**

If any Debtor shall, now or at any time hereafter, hold or acquire any promissory notes or tangible Chattel Paper, the Debtor shall forthwith endorse, assign and deliver the same to the Collateral Agent, accompanied by such instruments of transfer or assignment duly executed in blank as the Collateral Agent may from time to time specify.

**Section 4.18 Electronic Chattel Paper and Transferable Records.**

If any Debtor, now or at any time hereafter, holds or acquires an interest in any electronic Chattel Paper or any "transferable record," as that term is defined in the federal Electronic Signatures in Global and National Commerce Act, or in the Uniform Electronic Transactions Act as in effect in any relevant jurisdiction, such Debtor shall promptly notify the Collateral Agent thereof and, at the request and option of the Collateral Agent, shall take such action as the Collateral Agent may reasonably request to vest in the Collateral Agent control, under Section 9-105 of the UCC, of such electronic chattel paper or control under the federal Electronic Signatures in Global and National Commerce Act, or the Uniform Electronic Transactions Act, as so in effect in such jurisdiction, of such transferable record.

**Section 4.19 Letter-of-Credit Rights.**

If any Debtor is, now or at any time hereafter, a beneficiary under a letter of credit, such Debtor shall promptly notify the Collateral Agent thereof and, at the request and option of the Collateral Agent, such Debtor shall, pursuant to an agreement in form and substance satisfactory to the Collateral Agent either (a) arrange for the issuer and any confirmer of such letter of credit to consent to an assignment to the Collateral Agent of the proceeds of the letter of credit or (b) arrange for the Collateral Agent to become the transferee beneficiary of the letter of credit, with the Collateral Agent agreeing, in each case, that the proceeds of the letter of credit are to be applied as provided in the Intercreditor Agreement and Financing Agreements.

**Section 4.20 Commercial Tort Claims.**

If any Debtor shall, now or at any time hereafter, hold or acquire a commercial tort claim, such Debtor shall immediately notify the Collateral Agent in a writing signed by such Debtor of the particulars thereof and grant to the Collateral Agent in such writing a security interest therein and in the proceeds thereof, all upon the terms of this Agreement, with such writing to be in form and substance satisfactory to the Collateral Agent.

#### **Section 4.21 Intellectual Property.**

Each Debtor agrees to (a) preserve and maintain all rights to any of its registered intellectual property, and (b) ensure any and all of its registered patents, trademarks, copyrights and tradenames remain enforceable, provided however, such Debtor shall only be obligated to act in a manner consistent with commercially reasonable business practices, and may fail to make payment of maintenance fees, annuities and renewals where such Debtor determines, consistent with commercially reasonable business practices, such intellectual property should be abandoned. Upon the occurrence and during the continuance of an Event of Default, Collateral Agent may use such Debtor's intellectual property without payment of royalties or other fees.

### **ARTICLE V RIGHTS OF THE COLLATERAL AGENT**

**Section 5.1 Power of Attorney.** Each Debtor hereby irrevocably constitutes and appoints the Collateral Agent and any officer or agent thereof, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the name of such Debtor or in its own name, to take, after the occurrence and during the continuance of an Event of Default, any and all actions, and to execute any and all documents and instruments which the Collateral Agent at any time and from time to time reasonably deems necessary, to accomplish the purposes of this Agreement and, without limiting the generality of the foregoing, each Debtor hereby gives the Collateral Agent the power and right on behalf of such Debtor and in its own name to do any of the following after the occurrence and during the continuance of an Event of Default, without notice to or the consent of the Debtor:

(i) to demand, sue for, collect or receive, in the name of such Debtor or in its own name, any money or property at any time payable or receivable on account of or in exchange for any of the Collateral and, in connection therewith, endorse checks, notes, drafts, acceptances, money orders, documents of title or any other instruments for the payment of money under the Collateral or any policy of insurance;

(ii) to pay or discharge taxes, Liens or other encumbrances levied or placed on or threatened against the Collateral;

(iii) (A) to direct account debtors and any other parties liable for any payment under any of the Collateral to make payment of any and all monies due and to become due thereunder directly to the Collateral Agent or as the Collateral Agent shall direct; (B) to receive payment of and receipt for any and all monies, claims and other amounts due and to become due at any time in respect of or arising out of any Collateral; (C) to sign and endorse any invoices, freight or



express bills, bills of lading, storage or warehouse receipts, drafts against debtors, assignments, proxies, stock powers, verifications and notices in connection with accounts and other documents relating to the Collateral; (D) to commence and prosecute any suit, action or proceeding at law or in equity in any court of competent jurisdiction to collect the Collateral or any part thereof and to enforce any other right in respect of any Collateral; (E) to defend any suit, action or proceeding brought against the Debtor with respect to any Collateral; (F) to settle, compromise or adjust any suit, action or proceeding described above and, in connection therewith, to give such discharges or releases as the Collateral Agent may deem appropriate; (G) to exchange any of the Collateral for other property upon any merger, consolidation, reorganization, recapitalization or other readjustment of the issuer thereof and, in connection therewith, deposit any of the Collateral with any committee, depository, transfer agent, registrar or other designated agency upon such terms as the Collateral Agent may determine; (H) to add or release any guarantor, indorser, surety or other party to any of the Collateral; (I) to renew, extend or otherwise change the terms and conditions of any of the Collateral; (J) to make, settle, compromise or adjust any claim under or pertaining to any of the Collateral (including claims under any policy of insurance); and (K) to sell, transfer, pledge, convey, 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 each Debtor's expense, at any time, or from time to time, all acts and things which the Collateral Agent deems necessary to protect, preserve, maintain, or realize upon the Collateral and the Collateral Agent's security interest therein

This power of attorney is a power coupled with an interest and shall be irrevocable. The Collateral Agent shall be under no duty to exercise or withhold the exercise of any of the rights, powers, privileges and options expressly or implicitly granted to the Collateral Agent in this Agreement, and shall not be liable for any failure to do so or any delay in doing so. This power of attorney is conferred on the Collateral Agent solely to protect, preserve, maintain and realize upon its security interest in the Collateral. The Collateral Agent shall not be responsible for any decline in the value of the Collateral and shall not be required to take any steps to preserve rights against prior parties or to protect, preserve or maintain any Lien given to secure the Collateral.

**Section 5.2    Setoff.** In addition to and not in limitation of any rights of any Benefited Party under applicable law, the Collateral Agent and each Benefited Party shall, upon the occurrence and continuance of an Event of Default, without notice or demand of any kind, have the right to appropriate and apply to the payment of the Benefited Obligations owing to it (whether or not then due) any and all balances, credits, deposits, accounts or moneys of Debtors then or thereafter on deposit with such Benefited Party; provided, however, that any such amount so applied by any Benefited Party on any of the Benefited Obligations owing to it shall be subject to the provisions of the Intercreditor Agreement.

**Section 5.3    Assignment by the Collateral Agent.** The Collateral Agent may at any time assign or otherwise transfer all or any portion of its rights and obligations as Collateral Agent under this Agreement and the other Security Documents (including, without limitation, the

Benefited Obligations) to any other Person, to the extent permitted by, and upon the conditions contained in, the Intercreditor Agreement and the Financing Agreements and such Person shall thereupon become vested with all the benefits and obligations thereof granted to the Collateral Agent herein or otherwise.

**Section 5.4 Performance by the Collateral Agent.** If any Debtor shall fail to perform any covenant or agreement contained in this Agreement, the Collateral Agent may (but shall not be obligated to) perform or attempt to perform such covenant or agreement on behalf of the Debtors, in which case Collateral Agent shall exercise good faith and make diligent efforts to give Debtors prompt prior written notice of such performance or attempted performance. In such event, the Debtors shall, at the request of the Collateral Agent, promptly pay any reasonable amount expended by the Collateral Agent in connection with such performance or attempted performance to the Collateral Agent, together with interest thereon at the interest rate set forth in the Credit Agreement, from and including the date of such expenditure to but excluding the date such expenditure is paid in full. Notwithstanding the foregoing, it is expressly agreed that the Collateral Agent shall not have any liability or responsibility for the performance (or non-performance) of any obligation of the Debtors under this Agreement.

**Section 5.5 Certain Costs and Expenses.** The Debtors shall pay or reimburse the Collateral Agent within five (5) Business Days after demand for all reasonable costs and expenses (including reasonable attorney's and paralegal fees) incurred by it in connection with the enforcement, attempted enforcement, or preservation of any rights or remedies under this Agreement or any other Security Document during the existence of an Event of Default or after acceleration of any of the Benefited Obligations (including in connection with any "workout" or restructuring regarding the Benefited Obligations, and including in any insolvency proceeding or appellate proceeding). The agreements in this Section 5.5 shall survive the payment in full of the Benefited Obligations. Notwithstanding the foregoing, the reimbursement of any fees and expenses incurred by the Benefited Parties shall be governed by the terms and conditions of the Intercreditor Agreement and the applicable Financing Agreements.

**Section 5.6 Indemnification.** The Debtors shall indemnify, defend and hold the Collateral Agent and each Benefited Party and each of their respective officers, directors, employees, counsel, agents and attorneys-in-fact (each, an "Indemnified Person") harmless from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, charges, expenses and disbursements (including reasonable attorneys' and paralegals' fees) of any kind or nature whatsoever which may at any time (including at any time following repayment of the Benefited Obligations and the termination, resignation or replacement of the Collateral Agent or replacement of any Benefited Party) be imposed on, incurred by or asserted against any such Indemnified Person in any way relating to or arising out of this Agreement or any other Security Document or any document relating to or arising out of or referred to in this Agreement or any other Security Document, or the transactions contemplated hereby, or any action taken or omitted by any such Indemnified Person under or in connection with any of the foregoing, including with respect to any investigation, litigation or proceeding (including any "Bankruptcy Proceeding" (as defined in the Intercreditor Agreement) or appellate proceeding) related to or arising out of this Agreement or the Benefited Obligations or the use of the proceeds thereof, whether or not any Indemnified Person is a party thereto (all the foregoing, collectively, the "Indemnified Liabilities"); provided, that the Debtors shall have no

obligation under this Section 5.6 to any Indemnified Person with respect to Indemnified Liabilities to the extent resulting from the gross negligence or willful misconduct of such Indemnified Person. The agreements in this Section 5.6 shall survive payment of all other Benefited Obligations.

## **ARTICLE VI**

### **DEFAULT**

**Section 6.1 Rights and Remedies.** If an Event of Default shall have occurred and be continuing, the Collateral Agent shall have the following rights and remedies subject to the direction and/or consent of the Directing Party as required under the Intercreditor Agreement:

(i) The Collateral Agent may exercise any of the rights and remedies set forth in this Agreement (including, without limitation, in Section 5 of this Agreement), the Intercreditor Agreement, or in any other Financing Agreement or by applicable law.

(ii) In addition to all other rights and remedies granted to the Collateral Agent in this Agreement, the Intercreditor Agreement or in any other Financing Agreement or by applicable law, the Collateral Agent shall have all of the rights and remedies of a secured party under the UCC (whether or not the UCC applies to the affected Collateral) and the Collateral Agent may also, without previous demand or notice except as specified below or in the Intercreditor Agreement, sell the Collateral or any part thereof in one or more parcels at public or private sale, at any exchange, broker's board or at any of the Collateral Agent's offices or elsewhere, for cash, on credit or for future delivery, and upon such other terms as the Collateral Agent may, in its reasonable discretion, deem commercially reasonable or otherwise as may be permitted by law. Without limiting the generality of the foregoing, the Collateral Agent may (A) without demand or notice to the Debtors (except as required under the Financing Agreements or applicable law), collect, receive or take possession of the Collateral or any part thereof, and for that purpose the Collateral Agent (and/or its agents, servicers or other independent contractors) may enter upon any premises on which the Collateral is located and remove the Collateral therefrom or render it inoperable, and/or (B) sell, lease or otherwise dispose of the Collateral, or any part thereof, in one or more parcels at public or private sale or sales, at the Collateral Agent's offices or elsewhere, for cash, on credit or for future delivery, and upon such other terms as the Collateral Agent may, in its reasonable discretion, deem commercially reasonable or otherwise as may be permitted by law. The Collateral Agent and, subject to the terms of the Intercreditor Agreement, each of the Benefited Parties shall have the right at any public sale or sales, and, to the extent permitted by applicable law, at any private sale or sales, to bid (which bid may be, in whole or in part, in the form of cancellation of indebtedness) and become a purchaser of the Collateral or any part thereof free of any right of redemption on the part of the Debtors, which right of redemption is hereby expressly waived and released by the Debtors to the extent permitted by applicable law. The Collateral Agent may require the Debtors to assemble the

Collateral and make it available to the Collateral Agent at any place designated by the Collateral Agent to allow Collateral Agent to take possession or dispose of such Collateral. The Debtors agree that the Collateral Agent shall not be obligated to give more than ten (10) days prior written notice of the time and place of any public sale or of the time after which any private sale may take place and that such notice shall constitute reasonable notice of such matters. The foregoing shall not require notice if none is required by applicable law. The Collateral Agent shall not be obligated to make any sale of Collateral if, in the exercise of its reasonable discretion, it shall determine not to do so, regardless of the fact that notice of sale of Collateral may have been given. The Collateral Agent may, without notice or publication (except as required by applicable law), adjourn any public or private sale or cause the same to be adjourned from time to time by announcement at the time and place fixed for sale, and such sale may, without further notice, be made at the time and place to which the same was so adjourned. The Debtors shall be liable for all reasonable expenses of retaking, holding, preparing for sale or the like, and all reasonable attorneys' fees, legal expenses and other costs and expenses incurred by the Collateral Agent in connection with the collection of the Benefited Obligations and the enforcement of the Collateral Agent's rights under this Agreement and the Intercreditor Agreement. The Debtors shall, to the extent permitted by applicable law, remain liable for any deficiency if the proceeds of any such sale or other disposition of the Collateral (conducted in conformity with this clause (ii) and applicable law) applied to the Benefited Obligations are insufficient to pay the Benefited Obligations in full. The Collateral Agent shall apply the proceeds from the sale of the Collateral hereunder against the Benefited Obligations in such order and manner as is provided in the Intercreditor Agreement.

(iii) The Collateral Agent may cause any or all of the Collateral held by it to be transferred into the name of the Collateral Agent or the name or names of the Collateral Agent's nominee or nominees.

(iv) The Collateral Agent may exercise any and all rights and remedies of the Debtors under or in respect of the Collateral, including, without limitation, any and all rights of the Debtors to demand or otherwise require payment of any amount under, or performance of any provision of any of the Collateral and any and all voting rights and corporate powers in respect of the Collateral.

(v) On any sale of the Collateral, the Collateral Agent is hereby authorized to comply with any limitation or restriction with which compliance is necessary (based on a reasoned opinion of the Collateral Agent's counsel) in order to avoid any violation of applicable law or in order to obtain any required approval of the purchaser or purchasers by any applicable Governmental Authority.

(vi) The Collateral Agent may direct account debtors and any other parties liable for any payment under any of the Collateral to make payment of any

and all monies due and to become due thereunder directly to the Collateral Agent or as the Collateral Agent shall direct.

(vii) For purposes of enabling the Collateral Agent to exercise its rights and remedies under this Section 6.1 and enabling the Collateral Agent and its successors and assigns to enjoy the full benefits of the Collateral, the Debtors hereby grant to the Collateral Agent an irrevocable, nonexclusive license (exercisable without payment of royalty or other compensation to the Debtors) to use, assign, license or sublicense any of the Computer Records or Software (including in such license reasonable access to all media in which any of the licensed items may be recorded or stored and all computer programs used for the completion or printout thereof), exercisable upon the occurrence and during the continuance of an Event of Default (and thereafter if Collateral Agent succeeds to any of the Collateral pursuant to an enforcement proceeding or voluntary arrangement with Debtor), except as may be prohibited by any licensing agreement relating to such Computer Records or Software. This license shall also inure to the benefit of all successors, assigns, transferees of and purchasers from the Collateral Agent.

## **Section 6.2    Private Sales.**

(a) In view of the fact that applicable securities laws may impose certain restrictions on the method by which a sale of the Pledged Shares may be effected after an Event of Default, Debtors agree that upon the occurrence and during the continuance of an Event of Default, Collateral Agent may from time to time attempt to sell all or any part of the Pledged Shares by a private sale in the nature of a private placement, restricting the bidders and prospective purchasers to those who will represent and agree that they are "accredited investors" within the meaning of Regulation D promulgated pursuant to the Securities Act of 1933, as amended (the "Securities Act"), and are purchasing for investment only and not for distribution. In so doing, Collateral Agent may solicit offers for the Pledged Shares, or any part thereof, from a limited number of investors who might be interested in purchasing the Pledged Shares. Without limiting the methods or manner of disposition which could be determined to be commercially reasonable, if Collateral Agent hires a firm of regional or national reputation that is engaged in the business of rendering investment banking and brokerage services to solicit such offers and facilitate the sale of the Pledged Shares, then Collateral Agent's acceptance of the highest offer (including its own offer, or the offer of any of the Benefited Parties at any such sale) obtained through such efforts of such firm shall be deemed to be a commercially reasonable method of disposition of such Pledged Shares. The Collateral Agent shall not be under any obligation to delay a sale of any of the Pledged Shares for the period of time necessary to permit the issuer of such securities to register such securities under the laws of any jurisdiction outside the United States, under the Securities Act or under any applicable state securities laws, even if such issuer would agree to do so.

(b) The Debtors further agree to do or cause to be done, to the extent that the Debtors may do so under applicable law, all such other reasonable acts and things as may be necessary to make such sales or resales of any portion or all of the Collateral valid and binding and in compliance with any and all applicable laws, regulations, orders, writs, injunctions, decrees or

awards of any and all courts, arbitrators or governmental instrumentalities, domestic or foreign, having jurisdiction over any such sale or sales, all at the Debtors' expense.

### **Section 6.3    Establishment of Cash Collateral Account; and Lock Box.**

(a) Immediately upon the occurrence and during the continuance of an Event of Default (without the necessity of any notice hereunder), there shall be established by each Debtor with Collateral Agent, for the benefit of the Benefited Parties in the name of the Collateral Agent, a segregated non-interest bearing cash collateral account ("Cash Collateral Account") bearing a designation clearly indicating that the funds deposited therein are held for the benefit of the Collateral Agent and the Benefited Parties; provided, however, that the Cash Collateral Account may be an interest-bearing account with a commercial bank (including Comerica or any other Benefited Party which is a commercial bank) if determined by the Collateral Agent, in its reasonable discretion, to be practicable, invested by Collateral Agent in its sole discretion, but without any liability for losses or the failure to achieve any particular rate of return. Furthermore, in connection with the establishment of a Cash Collateral Account under the first sentence of this Section 6.3 (and on the terms and within the time periods provided thereunder), (i) each Debtor agrees to establish and maintain (and Collateral Agent, acting at the request of the Directing Party, may establish and maintain) at Debtor's sole expense a United States Post Office lock box (the "Lock Box"), to which Collateral Agent shall have exclusive access and control. Each Debtor expressly authorizes Collateral Agent, from time to time, to remove the contents from the Lock Box for disposition in accordance with this Agreement; and (ii) each Debtor shall notify all account debtors that all payments made to Debtor (a) other than by electronic funds transfer, shall be remitted, for the credit of Debtor, to the Lock Box, and Debtor shall include a like statement on all invoices, and (b) by electronic funds transfer, shall be remitted to the Cash Collateral Account, and Debtor shall include a like statement on all invoices. Each Debtor agrees to execute all documents and authorizations as reasonably required by the Collateral Agent to establish and maintain the Lock Box and the Cash Collateral Account. It is acknowledged by the parties hereto that any lockbox presently maintained or subsequently established by a Debtor with Collateral Agent may be used, subject to the terms hereof, to satisfy the requirements set forth in the first sentence of this Section 6.3.

(b) Immediately upon the occurrence and during the continuance of an Event of Default, any and all cash (including amounts received by electronic funds transfer), checks, drafts and other instruments for the payment of money received by each Debtor at any time, in full or partial payment of any of the Collateral consisting of Accounts or Inventory, shall forthwith upon receipt be transmitted and delivered to Collateral Agent, properly endorsed, where required, so that such items may be collected by Collateral Agent. Any such amounts and other items received by a Debtor shall not be commingled with any other of such Debtor's funds or property, but will be held separate and apart from such Debtor's own funds or property, and upon express trust for the benefit of Collateral Agent until delivery is made to Collateral Agent. All items or amounts which are remitted to a Lock Box or otherwise delivered by or for the benefit of a Debtor to Collateral Agent on account of partial or full payment of, or any other amount payable with respect to, any of the Collateral shall, at Collateral Agent's option, to any of the Benefited Obligations, whether then due or not, in the order and manner set forth in the Intercreditor Agreement. No Debtor shall have any right whatsoever to withdraw any funds so deposited. Each Debtor further grants to Collateral Agent a first security interest in and lien on

all funds on deposit in such account. Each Debtor hereby irrevocably authorizes and directs Collateral Agent to endorse all items received for deposit to the Cash Collateral Account, notwithstanding the inclusion on any such item of a restrictive notation, e.g., "paid in full", "balance of account", or other restriction.

**Section 6.4 Default Under Financing Agreements.** Subject to any applicable notice and cure provisions contained in the Financing Agreements, the occurrence of any Event of Default, including without limit a breach of any of the provisions of this Agreement, shall be deemed to be an "Event of Default" under this Agreement. This Section 6.4 shall not limit the Events of Default set forth in the Financing Agreements.

## **ARTICLE VII MISCELLANEOUS**

**Section 7.1 No Waiver; Cumulative Remedies.** No failure on the part of the Collateral Agent to exercise and no delay in exercising, and no course of dealing with respect to, any right, power or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege under this Agreement preclude any other or further exercise thereof or the exercise of any other right, power, or privilege. The rights and remedies provided for in this Agreement are cumulative and not exclusive of any rights and remedies provided by law.

**Section 7.2 Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of the Debtors and the Collateral Agent and their respective heirs, successors and assigns, except that no Debtor may assign any of its rights or obligations under this Agreement without the prior written consent of the Collateral Agent.

**Section 7.3 AMENDMENT; ENTIRE AGREEMENT.** THIS AGREEMENT, THE INTERCREDITOR AGREEMENT, AND THE FINANCING AGREEMENTS REFERRED TO HEREIN EMBODY THE FINAL, ENTIRE AGREEMENT AMONG THE PARTIES HERETO AND SUPERSEDES ANY AND ALL PRIOR COMMITMENTS, AGREEMENTS, REPRESENTATIONS AND UNDERSTANDINGS, WHETHER WRITTEN OR ORAL, RELATING TO THE SUBJECT MATTER HEREOF AND MAY NOT BE CONTRADICTED OR VARIED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OR DISCUSSIONS OF THE PARTIES HERETO. THERE ARE NO UNWRITTEN ORAL AGREEMENTS AMONG THE PARTIES HERETO. The provisions of this Agreement may be amended or waived only by an instrument in writing signed by the parties hereto.

**Section 7.4 Notices.** All notices, requests, consents, approvals, waivers and other communications hereunder shall be in writing (including, by facsimile transmission) and mailed, faxed or delivered to the address or facsimile number specified for notices on signature pages hereto; or, as directed to the Debtors or the Collateral Agent, to such other address or number as shall be designated by such party in a written notice to the other. All such notices, requests and communications shall, when sent by overnight delivery, or faxed, be effective when delivered for overnight (next business day) delivery, or transmitted in legible form by facsimile machine, respectively, or if mailed, upon the third Business Day after the date deposited into the U.S. mail,

or if otherwise delivered, upon delivery; except that notices to the Collateral Agent shall not be effective until actually received by the Collateral Agent.

**Section 7.5 GOVERNING LAW; SUBMISSION TO JURISDICTION; SERVICE OF PROCESS.** (a) THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF MICHIGAN.

(b) ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT OR ANY OTHER SECURITY DOCUMENT MAY BE BROUGHT IN THE COURTS OF THE STATE OF MICHIGAN OR OF THE UNITED STATES FOR THE EASTERN DISTRICT OF MICHIGAN, AND BY EXECUTION AND DELIVERY OF THIS AGREEMENT, EACH OF THE DEBTORS AND THE COLLATERAL AGENT CONSENTS, FOR ITSELF AND IN RESPECT OF ITS PROPERTY, TO THE NON-EXCLUSIVE JURISDICTION OF THOSE COURTS. EACH OF THE DEBTORS AND THE COLLATERAL AGENT IRREVOCABLY WAIVES ANY OBJECTION, INCLUDING ANY OBJECTION TO THE LAYING OF VENUE OR BASED ON THE GROUNDS OF FORUM NON CONVENIENS, WHICH IT MAY NOW OR HEREAFTER HAVE TO THE BRINGING OF ANY ACTION OR PROCEEDING IN SUCH JURISDICTION IN RESPECT OF THIS AGREEMENT OR ANY SECURITY DOCUMENT.

**Section 7.6 Headings.** The headings, captions, and arrangements used in this Agreement are for convenience only and shall not affect the interpretation of this Agreement.

**Section 7.7 Survival of Representations and Warranties.** All representations and warranties made in this Agreement or in any certificate delivered pursuant hereto shall survive the execution and delivery of this Agreement, and no investigation by the Collateral Agent shall affect the representations and warranties or the right of the Collateral Agent, the Banks, and the Term Debt Lender to rely upon them.

**Section 7.8 Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

**Section 7.9 Waiver of Bond.** In the event the Collateral Agent seeks to take possession of any or all of the Collateral by judicial process, each Debtor hereby irrevocably waives any bonds and any surety or security relating thereto that may be required by applicable law as an incident to such possession, and waives any demand for possession prior to the commencement of any such suit or action.

**Section 7.10 Severability.** Any provision of this Agreement which is determined by a court of competent jurisdiction to be prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this Agreement, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.



**Section 7.11 Construction.** Each Debtor and the Collateral Agent acknowledge that each of them has had the benefit of legal counsel of its own choice and has been afforded an opportunity to review this Agreement with its legal counsel and that this Agreement shall be construed as if jointly drafted by the Debtors and the Collateral Agent.

**Section 7.12 Termination.** If all of the Benefited Obligations (other than contingent liabilities pursuant to any indemnity, including without limitation Sections 5.5 and 5.6 hereof, for claims which have not been asserted, or which have not yet accrued) shall have been paid and performed in full (in cash) and all commitments to extend credit or other credit accommodations under the Financing Agreements have been terminated, the Collateral Agent shall, upon the written request of the Debtors, execute and deliver to the Debtors a proper instrument or instruments acknowledging the release and termination of the security interests created by this Agreement, and shall duly assign and deliver to the Debtors (without recourse and without any representation or warranty) such of the Collateral as may be in the possession of the Collateral Agent and has not previously been sold or otherwise applied pursuant to this Agreement.

**Section 7.13 Release of Collateral.** The Collateral Agent shall, upon the written request of Debtors, execute and deliver to the Debtors a proper instrument or instruments acknowledging the release of the security interest and liens established hereby on any Collateral (other than the Pledged Shares): (a) if the sale or other disposition of such Collateral is permitted under the terms of the Financing Agreements and, at the time of such proposed release, both before and after giving effect thereto, no Default or Event of Default has occurred and is continuing, (b) if the sale or other disposition of such Collateral is not permitted under the terms of the Financing Agreements, provided that the requisite Benefited Parties under such Financing Agreement(s) shall have consented to such sale or disposition in accordance with the terms thereof, or (c) if such release has been approved by the requisite Benefited Parties in accordance with Section 3(h) of the Intercreditor Agreement.

**Section 7.14 WAIVER OF JURY TRIAL.** EACH DEBTOR AND THE COLLATERAL AGENT WAIVES ITS RIGHTS TO A TRIAL BY JURY OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF OR RELATED TO THIS AGREEMENT, THE OTHER SECURITY DOCUMENTS, OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY, IN ANY ACTION, PROCEEDING OR OTHER LITIGATION OF ANY TYPE BROUGHT BY EITHER SUCH PARTY AGAINST THE OTHER, WHETHER WITH RESPECT TO CONTRACT CLAIMS, TORT CLAIMS, OR OTHERWISE. EACH DEBTOR AND THE COLLATERAL AGENT AGREE THAT ANY SUCH CLAIM OR CAUSE OF ACTION SHALL BE TRIED BY A COURT TRIAL WITHOUT A JURY. WITHOUT LIMITING THE FOREGOING, EACH SUCH PARTY FURTHER AGREES THAT ITS RIGHT TO A TRIAL BY JURY IS WAIVED BY OPERATION OF THIS SECTION AS TO ANY ACTION, COUNTERCLAIM OR OTHER PROCEEDING WHICH SEEKS, IN WHOLE OR IN PART, TO CHALLENGE THE VALIDITY OR ENFORCEABILITY OF THIS AGREEMENT OR THE OTHER SECURITY DOCUMENTS OR ANY PROVISION HEREOF OR THEREOF. THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT.

**Section 7.15 Consistent Application.** The rights and duties created by this Agreement shall, in all cases, be interpreted consistently with, and shall be in addition to (and not in lieu of), the rights and duties created by the Intercreditor Agreement and the Financing Agreements. In the event that any provision of this Agreement shall be inconsistent with any provision of the Intercreditor Agreement or any Financing Agreement, such provision of the Intercreditor Agreement or the Financing Agreements shall govern.

**Section 7.16 Continuing Lien.** The security interest granted under this Security Agreement shall be a continuing security interest in every respect (whether or not the outstanding balance of the Benefited Obligations is from time to time temporarily reduced to zero) and Collateral Agent's security interest in the Collateral as granted herein shall continue in full force and effect for the entire duration that the Financing Agreements remain in effect and until all of the Benefited Obligations are repaid and discharged in full, and no commitment (whether optional or obligatory) to extend any credit under the Financing Agreements remain outstanding.

\* \* \* \*

**SCHEDULE A  
TO  
SECURITY AGREEMENT**

Locations of Equipment and Inventory  
Including Leased Locations and Locations of Equipment and Inventory in the  
Possession of Any Bailee/Warehouseman

**Locations of Equipment and Inventory**

1. 34157/34165 Autry, Livonia, MI 48154
2. 28005 Fort St., Gibraltar, MI 48175
3. 2101 W. Willow St., Lansing, MI 48901
4. 18640 Walnut, Southgate, MI 48195
5. 18500 Walnut, Southgate, MI 48195
6. 3500 Reeck Road, Southgate, MI 48195
7. 14925 Eleven Mile, Oak Park, MI 48237
8. 6115 13 Mile Road, Warren, MI 48237
9. 1030 Doris Road, Auburn Hills, MI 48195
10. One Heritage Place Office Bldg., One Heritage Place,  
Southgate, MI 48195
11. 13 Parkway Circle, Churchmen's Center, New Castle, DE  
19720
12. 16325 Felton Rd., Watertown Township, MI 48901  
(Lansing)
13. 3 Quest Dr., Bldg. 201, Bloomington, IL 61704
14. 200 Tobacco Rd., Bowling Green, KY 42101
15. 7890 Center Point 70 Blvd., Huber Heights, OH 45424
16. Suite 5 of 2100B Capstone Drive Lexington, KY 40511
17. One Sunroof Center, Southgate, MI 48195

18. The Company's tooling is held by certain of the Company's suppliers at various locations.

**Deposit Accounts**

**1. ASC Incorporated**

<b><u>Bank</u></b>	<b><u>Account Number</u></b>
Comerica Bank	2176956536 1067008282 20000204000 1027013372 1850647655 1851360097 1027020062
Charter One Bank	2770004732
Royal Bank Canada	1014810 1002591
Commerce Bank	660029349
Security National Bank	873470
National City	1139641 838808820
National City Bank of MI/IL	628872883
Michigan National Bank	641110647
FIRSTSTAR Bank	49401722-1

**2. ASC Europe, LLC**

<b><u>Bank</u></b>	<b><u>Account Number</u></b>
Deutsche Bank Heilbronn	0156414

**SCHEDULE B  
TO  
SECURITY AGREEMENT**

Jurisdictions for Filing  
UCC-1 Financing Statements

State of Michigan

**SCHEDULE C  
TO  
SECURITY AGREEMENT**

Jurisdiction of Organization and  
Registration Number for each Debtor

<u>Entity</u>	<u>Jurisdiction of Organization</u>	<u>Registration Number</u>
ASC Incorporated	Michigan	226885
ASC Europe, LLC	Michigan	B67549

**SCHEDULE D  
TO  
SECURITY AGREEMENT**

<b>Issuer</b>	<b>Owner of Interests</b>	<b>Stock Certificate No(s)</b>	<b>Ownership Interest</b>
ASC Europe, LLC	ASC Incorporated	uncertificated	100%

**SCHEDULE E  
TO  
SECURITY AGREEMENT**

**Tradenames/Assumed Names**

Automobile Specialty  
WISCO  
Automotive Trim  
American Sunroof  
Worldwide Products Group  
ASC Direct Sales Group  
ASC Advanced Concepts  
ASC Aeromotive Systems Company  
ASC McLaren  
ASC Worldwide Engineering Network  
ASC Limited Editions  
Advanced Structural Composites  
ASC Trim  
Aero Service Company  
ASC Colamco, Inc.  
Colamco, Inc.  
ASC Vehicle Technologies  
Automobile Specialty Company Division  
Automotive Specialty Company



**SCHEDULE F  
TO  
SECURITY AGREEMENT**

**Intellectual Property**

**See attached**

**PHBF1\339091\3**

**PATENT**  
**REEL: 014402 FRAME: 0041**

# ASC INCORPORATED PATENTS

HD&P Reference No.	Country	Application/ Patent No.	Issue Date	Title
5362-100184/CA*	Canada	1217218	01/27/87	Lifter Apparatus for Pivotal-Sliding Roof Assembly
5362-100184/CA/01	Canada	1232927	02/16/88	Lifter Apparatus for Pivotal-Sliding Roof Assembly
5362-100185/CA	Canada	1213339	10/28/86	Control Apparatus for Pivotal-Sliding Roof Panel Assembly
5362-000192/US	United States	4835449	05/30/89	Sliding Roof Panel Control Apparatus
5362-100192/CA	Canada	1309742	11/03/92	Sliding Roof Panel Control Apparatus
5362-100195/CA	Canada	1219018	03/10/87	Retractable Backlight Apparatus for Vehicles
5362-000230/US/CPA	United States	4930833	06/05/90	Boot Cover for a Convertible Vehicle
5362-000243/US	United States	4817999	04/04/89	Convertible Header Latch Mechanism
5362-100243/JP	Japan	63230152		Convertible Header Latch Mechanism
5362-000248/US	United States	4720133	01/19/88	Convertible Top Structure
5362-000264/US/COD	United States	5186516	02/16/93	Power Latch System
5362-000267/US	United States	D314540	02/12/91	Manual Sunroof Latch Handle
5362-000281/US	United States	4883940	11/28/89	Heatable Composite Backlight Panel
5362-100281/CA	Canada	1323899	11/02/93	Heatable Composite Backlight Panel
5362-000317/US/COA	United States	5085483	02/24/92	Convertible Top Latching Mechanism
5362-000329/US/COA	United States	5261722	11/16/93	Variable Opacity, Maximally Transverse Retracting Sunroof System
5362-000361/US	United States	5058939	10/22/91	Power Latch System
5362-000363/US	United States	5161852	11/10/92	Convertible Top With Improved Geometry
5362-000364/US/COB	United States	5540476	07/30/96	Convertible Top Covering Retainer With Method for Using the Same
5362-000364/US/COD	United States	5829820	11/03/98	Convertible Top Covering Retainer With Method for Using the Same
5362-000365/US	United States	5118158	06/02/92	Convertible Top Linkage Assembly With Laterally Moving Rear Quarter Windows
5362-000366/US	United States	5106145	04/21/92	Convertible Stack System
5362-000377/US	United States	5225747	07/06/93	Automotive Convertible Top System
5362-000377/US/CPA	United States	5451849	09/19/95	Motorized Self-Correcting Automatic Convertible Top

# ASC INCORPORATED PATENTS

HD&P Reference No.	Country	Application/ Patent No.	Issue Date	Title
5362-000377/US/COC	United States	5825147	10/20/98	Control System for a Vehicle Having a Moveable Vehicle Body Member
5362-000377/US/COD	United States	6114819	09/05/00	Automotive Convertible Top System for an Automobile
5362-000377/US/COE	United States	6246199	06/12/01	Automotive Convertible Top System
5362-000377/US/COF	United States	6288511	09/11/01	Automotive Convertible Top System
5362-100377/DE	Germany	692084444	02/21/96	Single-Button Actuated Self-Correcting Automatic Convertible Top
5362-100377/JJP	Japan	3284138	03/01/02	System for Lowering and Raising Automotive Convertible Tops
5362-000379/US	United States	5301987	04/12/94	Convertible Top Stack Latch
5362-000379/US/CPA	United States	5624149	04/29/97	Apparatus and Method for Securing a Convertible Roof to an Automotive Vehicle
5362-000379/US/DVB	United States	5678881	10/21/97	Apparatus and Method for Securing a Convertible Roof to an Automotive Vehicle
5362-000379/US/COC	United States	5772275	06/30/98	Apparatus and Method for Securing a Convertible Roof to an Automotive Vehicle
5362-100382/JJP	Japan	1050/94		Truck Cab Mattress
5362-000386/US	United States	5456516	10/10/95	Automotive Vehicle Side Window System
5362-000387/US	United States	5429409	07/04/95	Convertible Top
5362-000387/US/DVA	United States	5593202	01/14/97	Convertible Top
5362-000387/US/COB	United States	5810422	09/22/98	Convertible Top
5362-000387/US/REC	United States	09/597706		Convertible Top
5362-000388/US	United States	5427429	06/27/95	Convertible Top Bow
5362-000389/US/COA	United States	5743587	04/28/98	Apparatus for Use in an Automotive Vehicle Having a Convertible Roof System
5362-000390/US	United States	5490709	02/13/96	Hinge for Folding Roof in a Convertible Automotive Vehicle
5362-000392/US	United States	5685596	11/11/97	Window Lift Mechanism for an Automotive Vehicle
5362-000393/US/COA	United States	6015184	01/18/00	Sunshade for an Automotive Vehicle Roof

# ASC INCORPORATED PATENTS

HD&P Reference No.	Country	Application/ Patent No.	Issue Date	Title
5362-000393/US/COB	United States	6161893	12/19/00	Sunshade for an Automotive Vehicle Roof
5362-100393/DE	Germany	P44810369		Sunshade for an Automotive Vehicle Roof
5362-100393/JP	Japan	08-503852		Sunshade for an Automotive Vehicle Roof
5362-000394/US/USA	United States	6056352	05/02/00	Sunroof Assembly for an Automotive Vehicle and Control System for Operating a Sunroof Assembly
5362-000394/US/USB	United States	5961177	10/05/99	Sunroof Assembly Drain Trough for an Automotive Vehicle
5362-000394/US/USC	United States	5951100	09/14/99	Sunroof Assembly for an Automotive Vehicle
5362-000395/US	United States	5755467	05/26/98	Latching and Switch Operating System for a Convertible Roof
5362-000395/US/DVA	United States	5904394	05/18/99	Latching and Switch Operating System for a Convertible Roof
5362-000396/US	United States	5590939	01/07/97	Reconfigurable Space Frame Cabinet
5362-000397/US/COA	United States	5779299	07/14/98	Apparatus for Achieving Automotive Vehicle Roof Insulation
5362-000398/US/COB	United States	D406792	03/16/99	Portion of Automotive Vehicle Having a Convertible Roof
5362-000398/US/COC	United States	D427138	06/27/00	Portion of a Convertible Roof and Tonneau Cover
5362-000398/US/COD	United States	5785375	07/28/98	Retractable Hard-Top for an Automotive Vehicle
5362-000398/US/COE	United States	D442541	05/22/01	Portion of an Opaque Convertible Roof
5362-000398/US/COF	United States	D452675	01/01/02	Combined Automotive Convertible Roof Portion and Tonneau Cover
5362-000398/US/DVG	United States	D464605	10/22/02	Combined Automotive Convertible Roof, Tonneau Cover and Rear Compartment Lid
5362-000399/US	United States	<del>5654615</del> 564615	08/05/97	Storage Compartment Sensor System for Use With an Automotive Vehicle Convertible Roof
5362-000399/US/COA	United States	5864214	01/26/99	Storage Compartment Sensor for Use With an Automotive Vehicle Convertible Roof
5362-100399/DE	Germany	195394828		Storage Compartment Sensor System for Use With an Automotive Vehicle Convertible Roof

# ASC INCORPORATED PATENTS

HD&P Reference No.	Country	Application/ Patent No.	Issue Date	Title
5362-000400/US	United States	5772274	06/30/98	Motorized Drive System for a Convertible Roof of an Automotive Vehicle
5362-000404/US	United States	5625981	05/06/97	Composite Window Assembly for an Automotive Vehicle
5362-000405/US	United States	5734727	03/31/98	Sunroof Assembly Noise Attenuation System
5362-000406/US	United States	5746475	05/05/98	Drive Mechanism for an Automotive Vehicle Sunroof Assembly
5362-000406/US/DVA	United States	5941598	08/24/99	Drive Mechanism for an Automotive Vehicle Sunroof Assembly
5362-000409/US	United States	5788011	08/04/98	Foldable Ladder
5362-000412/US	United States	6282791	09/04/01	Method of Making an Automotive Vehicle Convertible Roof
5362-000412/US/DVA	United States	6550843	04/22/03	Composite Roof Bow for an Automotive Vehicle
5362-000413/US	United States	5715549	02/10/98	Sink Assembly Enclosed Within Drawer
5362-000414/US	United States	5727478	03/17/98	Pop-Up Table Assembly
5362-000415/US	United States	5775767	07/07/98	Convertible Top for a Vehicle Having a Rear Egress
5362-000416/US	United States	6038819	03/21/00	Powered Drive Assembly
5362-000417/US	United States	6129413	10/10/00	Powered Dual Panel Sunroof
5362-100417/DE	Germany	198513666		Powered Dual Panel Sunroof
5362-000418/US	United States	6073995	06/13/00	Powered Venting Panel Assembly
5362-000420/US	United States	5851934	12/22/98	Composite Curtain
5362-000421/US	United States	5887936	03/30/99	Backlite System for Use in an Automotive Vehicle Convertible Roof
5362-100421/EP/01	European Patent Office	989304753		Backlite System for Use in an Automotive Vehicle Convertible Roof
5362-000422/US	United States	5903119	05/11/99	Convertible Roof Actuation Mechanism
5362-100422/EP	European Patent Office	983063082		Convertible Roof Actuation Mechanism
5362-100422/JF	Japan	249100/98		Convertible Roof Actuation Mechanism

# ASC INCORPORATED PATENTS

HD&P Reference No.	Country	Application/ Patent No.	Issue Date	Title
5362-000423/US	United States	6042174	03/28/00	Latching and Control Apparatus for an Automotive Vehicle Convertible Roof
5362-000424/US	United States	6102467	08/15/00	Backlite Retention System for Use in an Automotive Vehicle Convertible Roof
5362-100424/DE	Germany	198374119		Backlite Retention System for Use in an Automotive Vehicle Convertible Roof
5362-100424/JP	Japan	231185/98		Backlite Retention System for Use in an Automotive Vehicle Convertible Roof
5362-000425/US	United States	6224146	05/01/01	Spoiler Sunroof Mechanism
5362-000426/US	United States	6199944	03/13/01	Spoiler Sunroof
5362-000426/US/DVA	United States	6454347	09/24/02	Spoiler Sunroof
5362-000429/US	United States	5998948	12/07/99	Convertible Roof Actuation Mechanism
5362-000429/US/CPA	United States	6155614	12/05/02	Latching System for an Automotive Vehicle Convertible Roof
5362-000429/DE	Germany	19918628.6		Convertible Roof Actuation Mechanism
5362-000433/US	United States	6145909	11/14/00	Automotive Vehicle Bootwell and Drain Trough Apparatus
5362-000434/US	United States	6290281	09/18/01	Power Latch for an Automotive Vehicle Convertible Roof System
5362-000435/US/CPA	United States	10/105888		Automotive Vehicle Roof System Having Multiple Sunroofs
5362-100435/DE	Germany	101114532		Automotive Vehicle Roof System Having Multiple Sunroofs
5362-000436/US	United States	D438840	03/13/01	Sunroof for Automotive Vehicle (design)
5362-000438/US	United States	6409259	06/25/02	Automotive Vehicle Sunroof
5362-000439/US	United States	6419308	07/16/02	Movable Roof System for an Automotive Vehicle
5362-000440/US	United States	6485094	11/26/02	Automotive Vehicle Open Air System
5362-000440/US/COA	United States	10/272589		Automotive Vehicle Open Air System
5362-000441/US	United States	6305737	10/23/01	Automotive Vehicle Door System
5362-000442/US	United States	09/631432		Automotive Vehicle Hood System

# ASC INCORPORATED PATENTS

HD&P Reference No.	Country	Application/ Patent No.	Issue Date	Title
5362-000443/US	United States	6318785	11/20/01	Automotive Vehicle Foot Rest
5362-000444/US	United States	6241310	06/05/01	Vehicle Structure With Integral Node
5362-000444/US/DVA	United States	6539604	04/01/03	Vehicle Structure With Integral Node
5362-000445/US	United States	6508502	01/21/03	Convertible Roof and Tonneau Cover System
5362-100445/DE	Germany	102048592		Convertible Roof and Tonneau Cover System
5362-000446/US	United States	09/930739		Hard-Top Convertible Roof System
	European			
5362-100446/EP	Patent Office	022550461		Hard-Top Convertible Roof
5362-000448/US	United States	09/965109		Top Stack Mechanism for a Convertible Roof
5362-000449/US	United States	09/975693		Vehicle Seat Covering System
5362-000450/US	United States	6497447	12/24/02	Convertible Hard Top for Vehicles
	European			
5362-100450/EP	Patent Office	022553622		Convertible Hard Top for Vehicles
	Patent			
	Cooperation			
5362-000451/WO/PCA	Treaty	US0216683		Automotive Vehicle With Open Air System
				Automobile Convertible Roof System Having a Flat-Fold Boot Cover
5362-000452/US	United States	10/202261		Automotive Vehicle Roof System Having a Detachable Convertible Roof
5362-000453/US	United States	10/360012		Soft-Top Convertible Roof System for an Automotive Vehicle
5362-000454/US	United States	60/409276		Roof for an Automotive Vehicle
5362-000455/US	United States	29/155056		Roof for an Automotive Vehicle
5362-000456/US	United States	29/155000		Roof for an Automotive Vehicle
5362-000457/US	United States	29/154944		Roof for Automotive Vehicle
5362-000458/US	United States	29/154991		Roof for Automotive Vehicle
5362-000459/US	United States	10/17730		Vehicle Convertible Roof
5362-000460/US	United States	10/237767		Vehicle Convertible Roof
5362-000461/US	United States	10/246114		Vehicle Convertible Roof
5362-000462/US	United States	10/360691		Vehicle Convertible Roof

# ASC INCORPORATED PATENTS

HD&P Reference No.	Country	Application/ Patent No.	Issue Date	Title
5362-000463/US	United States	10/237919		Vehicle Convertible Roof
5362-000465/US	United States	10/209672		Vehicle Latch Mechanism for Convertible Tops
5362-000466/US	United States	60/409321		Convertible Backlife Control System
5362-000467/US	United States	10/245973		Vehicle Retractable Hardtop Roof
5362-000473/US	United States	10/361163		Two-Way Opening Decklid for a Convertible Roof Vehicle
5362-000474/US	United States	10/403362		Convertible Top Linkage
5362-000475/US	United States	10/359949		Tonneau Panel Mechanism
5362-000476/US	United States	10/298271		Convertible Top Latch
5362-000479/US	United States	60/467634		Convertible Roof Fabric Attachment
5362-000481/US	United States	10/378337		Hardtop Convertible
5362-000484/US	United States	60/466258		Serviceable Back Window for Convertible Roof
5362-000485/US	United States	60/457045		Retractable Roof Structural System
5362-10146B/CA	Canada	1260683	09/16/89	A Method for Installing a Sliding Roof Panel Assembly
5362-10194A/CA	Canada	1220805	04/21/87	Vehicle With a Convertible Top
5362-10194B/CA	Canada	1221125	04/28/97	Vehicle With a Convertible Top
5362-10194D/CA	Canada	1223020	06/06/87	Convertible Top Boot Cover

\* American Sunroof Corporation



# ASC INCORPORATED TRADEMARKS

HD&P Reference No.	Country	Serial/ Registration No.	Trademark
5362-200294/US	United States	1552772	800 VSS
5362-300294/CA	Canada	374780	800 VSS
5362-300294/GB	Great Britain	1378571	800 VSS
5362-300294/MX	Mexico	367616	800 VSS
5362-300294/KR	South Korea	181840	800 VSS
5362-200296/US	United States	1552773	950 VSS
5362-300296/CA	Canada	374779	950 VSS
5362-300296/MX	Mexico	362226	950 VSS
5362-300296/KR	South Korea	181842	950 VSS
5362-300241/MX	Mexico	374313	AMERICAN SUNROOF
5362-300241/MX/01	Mexico	364295	AMERICAN SUNROOF
5362-200241/US	United States	1444696	AMERICAN SUNROOF COMPANY
5362-300241/CA	Canada	374802	AMERICAN SUNROOF COMPANY
5362-300241/DE	Germany	1155351	AMERICAN SUNROOF COMPANY
5362-300241/GB	Great Britain	B1378359	AMERICAN SUNROOF COMPANY
5362-300241/GB/01	Great Britain	1379358	AMERICAN SUNROOF COMPANY
5362-300241/KR	South Korea	194813	AMERICAN SUNROOF COMPANY
5362-300241/KR/01	South Korea	181839	AMERICAN SUNROOF COMPANY
5362-200391/US	United States	1984943	ASC
5362-200401/US	United States	1988618	ASC
5362-200407/US	United States	2023944	ASC
5362-300407/DE	Germany	39625952	ASC
5362-200183/US*	United States	1283956	ASC & Design
5362-300183/AU	Australia	B392120	ASC & Design
5362-300183/BR	Brazil	811356140	ASC & Design
5362-300183/CA	Canada	350968	ASC & Design
5362-300183/FR*	France	1251567	ASC & Design
5362-300183/DE	Germany	1076538	ASC & Design
5362-300183/GB*	Great Britain	B1200582	ASC & Design
5362-300183/GB/01*	Great Britain	1200583	ASC & Design

# ASC INCORPORATED TRADEMARKS

HD&P Reference No.	Country	Serial/ Registration No.	Trademark
5362-300183/GB/02*	Great Britain	1201817	ASC & Design
5362-300183/IT*	Italy	420967	ASC & Design
5362-300183/JP	Japan	1974810	ASC & Design
5362-300183/MX*	Mexico	294183	ASC & Design
5362-300183/KR	South Korea	189407	ASC & Design
5362-300183/KR/01	South Korea	191075	ASC & Design
5362-300183/ES*	Spain	1046087/X	ASC & Design
5362-300183/ES/01*	Spain	104119	ASC & Design
5362-300294/DE	Germany	1145739	ASC 800 VSS
5362-300296/DE	Germany	1145740	ASC 950 VSS
5362-300371/GB	Great Britain	1453898	ASC Logo
5362-300371/GB/01	Great Britain	1453899	ASC Logo
5362-200339/US	United States	1747462	AUTOMOBILE SPECIALTY COMPANY
5362-200102/US*	United States	1103019	CHARISMA
5362-200101/US*	United States	1115595	CHARISMA (Stylized)
5362-200430/US	United States	2324967	ORB Design
5362-300430/DE	Germany	39871355	ORB Design
5362-300430/JP	Japan	4392904	ORB Design
5362-200208/US	United States	1390710	SKYMATE
5362-300208/CA	Canada	368951	SKYMATE
5362-300208/DE	Germany	1147346	SKYMATE
5362-300208/GB	Great Britain	1378306	SKYMATE
5362-300208/MX	Mexico	362267	SKYMATE
5362-200402/US	United States	2136504	SKYMATE
5362-200109/US	United States	1108921	WHERE IDEAS BECOME REALITY
5362-300109/CA	Canada	375386	WHERE IDEAS BECOME REALITY
5362-300109/DE	Germany	1149332	WHERE IDEAS BECOME REALITY
5362-300109/MX	Mexico	367835	WHERE IDEAS BECOME REALITY
5362-200432/US	United States	2324148	WHERE SPECIALITY VEHICLES COME TO LIFE

\* American Sunroof Corporation

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first written above.

DEBTORS:

**ASC INCORPORATED**

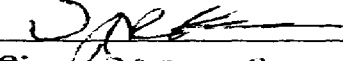
By: Patrick S. Aubry  
Name: PATRICK S. AUBRY  
Title: CHIEF FINANCIAL OFFICER  
Address for Notices:  
ONE SUNROOF CENTER  
SOUTHGATE, MI 48195  
Fax No.: 734 246-2680  
Telephone No.: 734 246-0290  
Attention: PATRICK AUBRY

**ASC EUROPE, LLC**

By: Patrick S. Aubry  
Name: PATRICK S. AUBRY  
Title: VICE PRESIDENT  
Address for Notices:  
ONE SUNROOF CENTER  
SOUTH GATE, MI 48195  
Fax No.: 734-246-2680  
Telephone No.: 734-246-0290  
Attention: PATRICK AUBRY

COLLATERAL AGENT:

**COMERICA BANK** as Collateral Agent

By:   
Name: DARYL R. KRAUSE  
Title: MANAGING DIRECTOR

Address for Notices:  
One Detroit Center, 9th Floor  
500 Woodward Avenue  
Detroit, Michigan 48226  
Fax No.: 313/222-6198  
Telephone No.: 313/222-9434  
Attention: Daryl Krause

**EXHIBIT A  
TO  
SECURITY AGREEMENT  
FORM OF AMENDMENT**

This Amendment, dated \_\_\_\_\_, 20\_\_, is delivered pursuant to Section [4.14/4.16] of the Security Agreement referred to below. The undersigned hereby agrees that this Amendment may be attached to the Security Agreement dated as of June 2, 2003, between the undersigned and Comerica Bank, as the Collateral Agent for the benefit of the Banks and the Term Debt Lender referred to therein (the "Security Agreement"), and [that the shares of stock, membership interests, partnership units, notes or other instruments listed on Schedule D] / [that the intellectual property listed on Schedule F] annexed hereto shall be and become part of the Collateral referred to in the Security Agreement and shall secure payment and performance of all Benefited Obligations as provided in the Security Agreement.

Capitalized terms used herein but not defined herein shall have the meanings therefor provided in the Security Agreement.

**ASC INCORPORATED**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**ASC EUROPE, LLC**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**COMERICA BANK, as Collateral Agent**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**Amendment No. 1 to the Amended and Restated Security Agreement By and Between  
Comerica Bank as Collateral Agent and ASC Incorporated and ASC Europe, LLC as  
Debtors**

This Amendment, dated June 13, 2003, is delivered pursuant to Section 4.16 of the Amended and Restated Security Agreement referred to below and to Section 6.24 of the Credit Agreement (as defined in the Security Agreement). The undersigned hereby agrees that this Amendment may be attached to the Amended and Restated Security Agreement dated as of June 2, 2003, between the undersigned and Comerica Bank, as the Collateral Agent for the benefit of the Banks and the Term Debt Lender referred to therein (the "Security Agreement"), and that the intellectual property listed on Schedule F annexed hereto shall be and become part of the Collateral referred to in the Security Agreement and shall secure payment and performance of all Benefitted Obligations as provided in the Security Agreement.

Capitalized terms used herein but not defined herein shall have the meanings therefor provided in the Security Agreement.

**ASC INCORPORATED**

By: Patrick S. Aubry  
Name: PATRICK S. AUBRY  
Title: CFO

**ASC EUROPE, LLC**

By: Patrick S. Aubry  
Name: PATRICK S. AUBRY  
Title: Vice President

**COMERICA BANK, as Collateral Agent**

By: [Signature]  
Name: DANIEL KRANDE  
Title: MANAGING DIRECTOR

**SCHEDULE F  
TO  
SECURITY AGREEMENT (cont.)**

**Intellectual Property**

ASC Incorporated Patents

6,386,852                      United States

ASC Incorporated Trademarks

1,531,870                      United States