

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	SECURITY INTEREST

CONVEYING PARTY DATA

Name	Formerly	Execution Date	Entity Type
TI Automotive, L.L.C.		06/29/2007	LIMITED LIABILITY COMPANY: DELAWARE
TI Group Automotive Systems, L.L.C.		06/29/2007	LIMITED LIABILITY COMPANY: DELAWARE
Hanil USA, L.L.C.		06/29/2007	LIMITED LIABILITY COMPANY: DELAWARE

RECEIVING PARTY DATA

Name:	JPMORGAN CHASE BANK, N.A.
Street Address:	277 Park Avenue
City:	New York
State/Country:	NEW YORK
Postal Code:	10172
Entity Type:	national banking association:

PROPERTY NUMBERS Total: 10

Property Type	Number	Word Mark
Serial Number:	76659999	B
Registration Number:	0865191	B
Registration Number:	2582638	B
Serial Number:	76660210	BUNDY
Registration Number:	0503732	BUNDY
Registration Number:	0741152	BUNDYFLEX
Registration Number:	0289329	BUNDYWELD
Registration Number:	2041248	PERMBLOK
Registration Number:	2698532	TI AUTOMOTIVE
Serial Number:	76648288	TIA

CH \$265.00 76659999

CORRESPONDENCE DATA

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Correspondence will be sent via US Mail when the fax attempt is unsuccessful.
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ATTORNEY DOCKET NUMBER:	26871-0004
NAME OF SUBMITTER:	Nicole M. Meyer
Signature:	/Nicole M. Meyer/
Date:	08/23/2007

Total Attachments: 24

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**PLEDGE AND SECURITY AGREEMENT FOR THE BENEFIT
OF THE SECOND LIEN FINANCE PARTIES**

THIS PLEDGE AND SECURITY AGREEMENT FOR THE BENEFIT OF THE SECOND LIEN FINANCE PARTIES (as it may be amended or modified from time to time, this "Security Agreement") is entered into effective as of June 29, 2007 by and among TI AUTOMOTIVE, L.L.C., a Delaware limited liability company ("TI Auto"), TI GROUP AUTOMOTIVE SYSTEMS, L.L.C., a Delaware limited liability company ("TIGAS"), and HANIL USA, L.L.C., a Delaware limited liability company ("Hanil" and, with TI Auto and TIGAS, collectively, the "Grantors" and, individually, a "Grantor"), and JPMORGAN CHASE BANK, N.A., a national banking association, in its capacity (in such capacity, the "Agent") as sub-agent appointed by the Security Agent (as defined in the Facilities Agreement defined below), for the Second Lien Finance Parties (as defined in the Facilities Agreement) from time to time party to the Facilities Agreement.

PRELIMINARY STATEMENTS

A. TI Automotive Limited (the "Parent"), the Subsidiaries of the Parent listed in Part 1 of Schedule 1 to the Facilities Agreement as original borrowers, the Subsidiaries of the Parent listed in Part 1 of Schedule 1 to the Facilities Agreement as original guarantors, J.P. Morgan PLC as mandated lead arranger, the financial institutions listed in Part 2 and Part 3 of Schedule 1 to the Facilities Agreement as lenders, J.P. Morgan Europe Limited as facility agent of the other Finance Parties, as Facility A Agent of the Facility A Finance Parties, and as agent of the Revolving Finance Parties, Dresdner Bank AG, Niederlassung Luxemburg, as agent of the Second Lien Finance Parties and J.P. Morgan Europe Limited as security agent for the Secured Parties, have entered into the Facilities Agreement dated May 21, 2007 (as it may be amended, modified or supplemented from time to time, including any agreement entered into in replacement thereof, the "Facilities Agreement").

B. The Grantors have entered into in favor of the Agent for the benefit of the Second Lien Finance Parties the US Second Lien Guarantee (as defined in Schedule 13 to the Facilities Agreement) (as it may be amended, modified or supplemented from time to time, including any agreement entered into in replacement thereof, the "Guarantee Agreement"). The Guarantee Agreement is one of the US Guarantees.

C. Each Grantor is entering into this Security Agreement in order to induce the Second Lien Finance Parties to enter into and extend credit to the Borrowers under the Facilities Agreement and to secure the prompt and complete payment and performance of all indebtedness, obligations and liabilities of every kind, nature and character, direct or indirect, absolute or contingent, whether now existing or hereafter arising, (i) of the Second Lien Borrowers to the Second Lien Finance Parties under the Finance Documents, (ii) of the Grantors to the Second Lien Finance Parties under the Finance Documents, and (iii) of the Grantors to the Second Lien Finance Parties under the Guarantee Agreement, including without limitation all fees, costs and expenses incurred by the Agent, the Security Agent or the Second Lien Finance Parties in connection with the preparation, administration, collection or enforcement thereof (all of the foregoing, collectively, the "Secured Obligations"). Without limitation, Secured Obligations include all amounts provided by any Second Lien Finance Party which is or ever has been a New Lender (as defined in clause 29 of the Facilities Agreement), whether by assignment or by transfer by novation.

ACCORDINGLY, the Grantors and the Agent, on behalf of the Second Lien Finance Parties, hereby agree as follows:

**ARTICLE I
DEFINITIONS**

1.1. Terms Defined in Facilities Agreement. All capitalized terms used herein and not otherwise defined shall have the meanings assigned to such terms in the Facilities Agreement.

1.2. Terms Defined in UCC. Terms defined in the UCC which are not otherwise defined in this Security Agreement are used herein as defined in the UCC.

1.3. Definitions of Certain Terms Used Herein. As used in this Security Agreement, in addition to the terms defined in the preamble to this Security Agreement and the Preliminary Statements, the following terms shall have the following meanings:

“Accounts” shall have the meaning set forth in Article 9 of the UCC.

“Account Debtor” means any Person obligated on an Account.

“Article” means a numbered article of this Security Agreement, unless another document is specifically referenced.

“Capital Stock” means corporate stock, units, shares, partnership interests, membership interests, equity interests, rights, securities, and other equivalent evidences of ownership (howsoever designated) issued by any Person.

“Chattel Paper” shall have the meaning set forth in Article 9 of the UCC.

“Collateral” shall have the meaning set forth in Article II.

“Collateral Report” means any report delivered by any Grantor to the Agent or any Second Lien Finance Party with respect to the Collateral pursuant to any Finance Document.

“Commercial Tort Claims” shall have the meaning set forth in Article 9 of the UCC.

“Control” shall have the meaning set forth in Article 8 or, if applicable, in Section 9-104, 9-105, 9-106 or 9-107 of Article 9 of the UCC.

“Copyrights” means, with respect to any Grantor, all of such Grantor's right, title, and interest in and to the following: (a) all copyrights, rights and interests in copyrights, works protectable by copyright, copyright registrations, and copyright applications; (b) all renewals of any of the foregoing; (c) all income, royalties, damages, and payments now or hereafter due and/or payable under any of the foregoing, including, without limitation, damages or payments for past or future infringements or any of the foregoing; (d) the right to sue for past, present, and future infringements of any of the foregoing; and (e) all rights corresponding to any of the foregoing throughout the world.

“Default” means an event described in Section 5.1.

“Deposit Account” shall have the meaning set forth in Article 9 of the UCC but, for purposes of this Security Agreement, “Deposit Accounts” shall specifically exclude (i) any Deposit Accounts (as defined in Article 9 of the UCC) which had an average balance under \$10,000 for the six (6) month period prior to the date of determination, provided, that, if the average balance in any excluded Deposit Account (as defined in Article 9 of the UCC) exceeds \$10,000 for any six-month period during the term of this Security Agreement, such Deposit Account (as defined in Article 9 of the UCC) shall no longer be excluded pursuant to this definition and each Grantor covenants and agrees to promptly notify the Agent that such average balances have been exceeded and take any and all actions required under this Security Agreement, and (ii) any Deposit Accounts (as defined

in Article 9 of the UCC) which are opened in the future specifically to be pledged to a third party provided that the pledgor is permitted to grant such a pledge pursuant to paragraphs (h), (l), (o) or (q) of the definition of Permitted Security in the Facilities Agreement.

“Documents” shall have the meaning set forth in Article 9 of the UCC.

“Equipment” shall have the meaning set forth in Article 9 of the UCC.

“Exhibit” refers to a specific exhibit to this Security Agreement, unless another document is specifically referenced.

“Farm Products” shall have the meaning set forth in Article 9 of the UCC.

“Fixtures” shall have the meaning set forth in Article 9 of the UCC.

“General Intangibles” shall have the meaning set forth in Article 9 of the UCC.

“Instruments” shall have the meaning set forth in Article 9 of the UCC.

“Inventory” shall have the meaning set forth in Article 9 of the UCC.

“Investment Property” shall have the meaning set forth in Article 9 of the UCC.

“Letter-of-Credit Rights” shall have the meaning set forth in Article 9 of the UCC.

“Licenses” means, with respect to any Grantor, all of such Grantor’s right, title, and interest in and to (a) any and all licensing agreements or similar arrangements in and to its Patents, Copyrights, or Trademarks, (b) all income, royalties, damages, claims, and payments now or hereafter due or payable under and with respect thereto, including, without limitation, damages and payments for past and future breaches thereof, and (c) all rights to sue for past, present, and future breaches thereof.

“Lien” means any lien (statutory or other), security interest, mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance or preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever (including, without limitation, the interest of a vendor or lessor under any conditional sale, capitalized lease or other title retention agreement).

“Patents” means, with respect to any Grantor, all of such Grantor’s right, title, and interest in and to: (a) any and all patents and patent applications, (b) all inventions and improvements described and claimed therein, (c) all reissues, divisions, continuations, renewals, extensions, and continuations-in-part thereof, (d) all income, royalties, damages, claims, and payments now or hereafter due or payable under and with respect thereto, including, without limitation, damages and payments for past and future infringements thereof, (e) all rights to sue for past, present, and future infringements thereof, and (f) all rights corresponding to any of the foregoing throughout the world.

“Person” means any natural person, corporation, firm, joint venture, partnership, limited liability company, association, enterprise, trust or other entity or organization, or any government or political subdivision or any agency, department or instrumentality thereof.

“Pledged Collateral” means all Instruments, Securities and other Investment Property physically delivered to the Agent pursuant to this Security Agreement.

“Receivables” means the Accounts, Chattel Paper, Documents, Investment Property, Instruments and any other rights or claims to receive money which are General Intangibles or which are otherwise included as Collateral.

“Section” means a numbered section of this Security Agreement, unless another document is specifically referenced.

“Secured IP” means the Patents described in (a) and (c) of the definition thereof; the Trademarks described in (a) and (c) of the definition thereof; and the Copyrights described in (a) and (b) of the definition thereof.

“Security” has the meaning set forth in Article 8 of the UCC.

“Stock Rights” means, with respect to any Grantor, all dividends, instruments or other distributions and any other right or property which such Grantor shall receive or shall become entitled to receive for any reason whatsoever with respect to, in substitution for or in exchange for any Capital Stock constituting Collateral and any Capital Stock, any right to receive Capital Stock and any right to receive earnings, in which such Grantor now has or hereafter acquires any right, issued by an issuer of such Capital Stock.

“Trademarks” means, with respect to any Grantor, all of such Grantor’s right, title, and interest in and to the following: (a) all trademarks (including service marks), trade names, trade dress, and trade styles and the registrations and applications for registration thereof and the goodwill of the business symbolized by the foregoing, (b) all licenses of the foregoing, whether as licensee or licensor, (c) all renewals of the foregoing, (d) all income, royalties, damages, and payments now or hereafter due or payable with respect thereto, including, without limitation, damages, claims, and payments for past and future infringements thereof, (e) all rights to sue for past, present, and future infringements of the foregoing, including the right to settle suits involving claims and demands for royalties owing, and (f) all rights corresponding to any of the foregoing throughout the world.

“UCC” means the Uniform Commercial Code, as in effect from time to time, of the State of Michigan or of any other state the laws of which are required as a result thereof to be applied in connection with the attachment, perfection or priority of, or remedies with respect to, Agent's or any Second Lien Finance Party's Lien on any Collateral.

The foregoing definitions shall be equally applicable to both the singular and plural forms of the defined terms.

ARTICLE II GRANT OF SECURITY INTEREST

Each Grantor hereby pledges, assigns and grants to the Agent, on behalf of and for the ratable benefit of the Second Lien Finance Parties, a security interest in all of its right, title and interest in, to and under all personal property and other assets, whether now owned by or owing to, or hereafter acquired by or arising in favor of such Grantor (including under any trade name or derivations thereof), and whether owned or consigned by or to, or leased from or to, such Grantor, and regardless of where located (all of which will be collectively referred to as the “Collateral”), including:

- (i) all Accounts;
- (ii) all Chattel Paper;
- (iii) all Documents;
- (iv) all Equipment;
- (v) all Fixtures;
- (vi) all General Intangibles;
- (vii) all Instruments;

- (viii) all Inventory;
- (ix) all Investment Property;
- (x) all cash or cash equivalents;
- (xi) all letters of credit and Letter-of-Credit Rights;
- (xii) all Deposit Accounts with any bank or other financial institution;
- (xiii) all Commercial Tort Claims;
- (xiv) all Farm Products;
- (xv) and all accessions to, substitutions for and replacements, proceeds (including Stock Rights), insurance proceeds and products of the foregoing, together with all books and records, customer lists, credit files, computer files, programs, printouts and other computer materials and records related thereto;

to secure the prompt and complete payment and performance of the Secured Obligations.

ARTICLE III REPRESENTATIONS AND WARRANTIES

Each Grantor represents and warrants to the Agent and the Second Lien Finance Parties that:

3.1. Title, Perfection and Priority. Each Grantor has good and valid rights in or the power to transfer the Collateral and title to the Collateral with respect to which it has purported to grant a security interest hereunder, free and clear of all Liens except for Liens permitted under Section 4.1(e), and has full power and authority to grant to the Agent the security interest in such Collateral pursuant hereto. When financing statements have been filed in the appropriate offices against each such Grantor in the locations listed on Exhibit H, the Agent will have a fully perfected second priority (to the security interest of the Agent for the benefit of the Revolving Finance Parties) security interest in that Collateral in which a security interest may be perfected by filing, subject only to Liens permitted under Section 4.1(e).

3.2. Type and Jurisdiction of Organization, Organizational and Identification Numbers. The type of entity of each Grantor, its state of organization, the organizational number issued to it by its state of organization and its federal employer identification number are set forth on Exhibit A.

3.3. Principal Location. Each Grantor's mailing address and the location of its place of business (if it has only one) or its chief executive office (if it has more than one place of business), are disclosed in Exhibit A; no Grantor has any other places of business except those set forth in Exhibit A.

3.4. Collateral Locations. All of each Grantor's locations where Collateral is located are listed on Exhibit A. All of said locations are owned by each such Grantor except for locations (i) which are leased by such Grantor as lessee and designated in Part VII(b) of Exhibit A and (ii) at which Inventory is held in a public warehouse or is otherwise held by a bailee or on consignment as designated in Part VII(c) of Exhibit A.

3.5. Deposit Accounts. All of each Grantor's Deposit Accounts are listed on Exhibit B.

3.6. Exact Names. Each Grantor's name in which it has executed this Security Agreement is the exact name as it appears in such Grantor's organizational documents, as amended, as filed with such Grantor's jurisdiction of organization.

3.7. Letter-of-Credit Rights and Chattel Paper. Exhibit C lists all Letter-of-Credit Rights and Chattel Paper of each Grantor. All action by each Grantor necessary or desirable to protect and perfect the Agent's Lien on each item listed on Exhibit C (including the delivery of all originals and the placement of a

legend on all Chattel Paper as required hereunder) has been duly taken. The Agent will have a fully perfected second priority (to the security interest of the Agent for the benefit of the Revolving Finance Parties) security interest in the Collateral listed on Exhibit C, subject only to Liens permitted under Section 4.1(e).

3.8. **RESERVED**

3.9. Inventory. Inventory of each Grantor is located at one of such Grantor's locations set forth on Exhibit A or at such other locations hereafter established with respect to which the Grantors have given the Agent not less than twenty (20) Business Days' prior written notice.

3.10. Intellectual Property. No Grantor has any interest in, or title to, any Secured IP except as set forth in Exhibit D. This Security Agreement is effective to create a valid and continuing Lien and, upon filing of (i) a duly executed copy of this Security Agreement with the United States Copyright Office or the United States Patent and Trademark Office, and (ii) the appropriate financing statements listed on Exhibit H in the appropriate jurisdictions, fully perfected second priority (to the security interest of the Agent for the benefit of the Revolving Finance Parties) security interests in favor of the Agent on the Secured IP, such perfected security interests are enforceable as such as against any and all creditors of and purchasers from the Grantors. Upon the filing of the foregoing, all action necessary or desirable to protect and perfect the Agent's Lien on the Secured IP shall have been duly taken.

3.11. Filing Requirements. None of the Equipment is covered by any certificate of title, except for the vehicles described in Part I of Exhibit E. None of the Collateral is of a type for which security interests or liens may be perfected by filing under any federal statute except for (a) the Collateral described in Part II of Exhibit E and (b) Patents, Trademarks and Copyrights held by the Grantors and described in Exhibit D. The legal description, county and street address of the property on which any Fixtures of each Grantor are located is set forth in Exhibit F together with the name and address of the record owner of each such property.

3.12. No Financing Statements, Security Agreements. No financing statement or security agreement describing all or any portion of the Collateral which has not lapsed or been terminated naming any Grantor as debtor has been filed or is of record in any jurisdiction except (a) for financing statements or security agreements naming the Agent as the secured party, and (b) as permitted by Section 4.1(e).

3.13. Pledged Collateral, Instruments and Other Investment Property.

(a) Exhibit G sets forth a complete and accurate list of all of the Pledged Collateral delivered to the Agent, and of other Instruments, Securities and Investment Property, if any, owned by each Grantor. Each Grantor is the direct, sole beneficial owner and sole holder of record of each Instrument, Security and other type of Investment Property listed on Exhibit G as being owned by it, free and clear of any Liens, except for security interests granted to the Agent for the benefit of the Finance Parties. Each Grantor further represents and warrants that (i) all such Instruments, Securities or other types of Investment Property which are Capital Stock have been (to the extent such concepts are relevant with respect to such Instrument, Security or other type of Investment Property) duly authorized and validly issued and are fully paid and non-assessable, (ii) with respect to any certificates delivered to the Agent representing Capital Stock, either such certificates are Securities as defined in Article 8 of the UCC as a result of actions by the issuer or otherwise, or, if such certificates are not Securities, the Grantors have so informed the Agent so that the Agent may take steps to perfect its security interest therein as a General Intangible, (iii) all such Securities or other types of Investment Property of any Grantor held by a securities intermediary are covered by a control agreement among such Grantor, the securities intermediary and the Agent pursuant to which the Agent has Control and (iv) all Instruments which represent Indebtedness owed to any Grantor have been duly authorized, authenticated or issued and delivered by the issuer of such Indebtedness, are the legal, valid and binding obligation of such issuer and such issuer is not in default thereunder.

(b) In addition, (i) none of the Pledged Collateral has been issued or transferred in violation of the securities registration, securities disclosure or similar laws of any jurisdiction to which such issuance or

transfer may be subject, (ii) there are existing no options, warrants, calls or commitments of any character whatsoever relating to the Pledged Collateral, and (iii) no consent, approval, authorization, or other action by, and no giving of notice or filing with, any governmental authority or any other Person is required for the pledge by any Grantor of the Pledged Collateral pursuant to this Security Agreement or for the execution, delivery and performance of this Security Agreement by any Grantor, or for the exercise by the Agent of the voting or other rights provided for in this Security Agreement or for the remedies in respect of the Pledged Collateral pursuant to this Security Agreement, except as may be required in connection with such disposition by laws affecting the offering and sale of securities generally.

(c) Except as set forth in Exhibit G, each Grantor owns 100% of the issued and outstanding Capital Stock which constitutes Pledged Collateral identified for such Grantor on Exhibit G and none of the Pledged Collateral which represents Indebtedness owing to any Grantor is subordinated in right of payment to other Indebtedness or subject to the terms of an indenture.

ARTICLE IV COVENANTS

From the date of this Security Agreement, and thereafter until this Security Agreement is terminated:

4.1. General.

(a) Collateral Records. Each Grantor will maintain complete and accurate books and records with respect to the Collateral, and furnish to the Agent such reports relating to the Collateral as the Agent shall reasonably request from time to time.

(b) Authorization to File Financing Statements; Ratification. Each Grantor hereby authorizes the Agent to file, and if requested will deliver to the Agent, all financing statements and other documents and take such other actions as may from time to time be requested by the Agent in order to maintain a first perfected security interest in and, if applicable, Control of, the Collateral. Any financing statement filed by the Agent may be filed in any filing office in any UCC jurisdiction and may (i) indicate the Collateral (1) as all assets of the Grantor or words of similar effect, regardless of whether any particular asset comprised in the Collateral falls within the scope of Article 9 of the UCC or such jurisdiction, or (2) by any other description which reasonably approximates the description contained in this Security Agreement, and (ii) contain any other information required by part 5 of Article 9 of the UCC for the sufficiency or filing office acceptance of any financing statement or amendment, including (A) whether the Grantor is an organization, the type of organization and any organization identification number issued to the Grantor and (B) in the case of a financing statement filed as 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 relates. Each Grantor also agrees to furnish any such information to the Agent promptly upon request. Each Grantor also ratifies its authorization for the Agent to have filed in any UCC jurisdiction any initial financing statements or amendments thereto if filed prior to the date hereof and after May 21, 2007.

(c) Further Assurances. The Grantors will, if so requested by the Agent, furnish to the Agent, as often as the Agent requests, statements and schedules further identifying and describing the Collateral and such other reports and information in connection with the Collateral as the Agent may reasonably request, all in such detail as the Agent may specify. Each Grantor also agrees to take any and all actions necessary to defend title to the Collateral against all persons and to defend the security interest of the Agent in the Collateral and the priority thereof against any Lien not expressly permitted hereunder. Other than as part of a Permitted Transaction, no Grantor will change its name, identity or structure, or change its jurisdiction of organization or organization number, except as required by law, and then only after giving as much advance notice to the Agent as is possible under the circumstances.

(d) Disposition of Collateral. No Grantor will sell, lease or otherwise dispose of the Collateral except Permitted Disposals.

(e) Liens. No Grantor will create, incur, or suffer to exist any Lien on the Collateral except Permitted Security.

(f) Other Financing Statements. No Grantor will authorize the filing of any financing statement naming it as debtor covering all or any portion of the Collateral, except as permitted by Section 4.1(e). Each Grantor acknowledges that it is not authorized to file any financing statement or amendment or termination statement with respect to any financing statement without the prior written consent of the Agent, subject to each Grantor's rights under Section 9-509(d)(2) of the UCC.

(g) Compliance with Terms. Each Grantor will perform and comply with all obligations in respect of the Collateral and all agreements to which it is a party or by which it is bound relating to the Collateral.

4.2. Receivables.

(a) Certain Agreements on Receivables. No Grantor will make or agree to make any discount, credit, rebate or other reduction in the original amount owing on a Receivable or accept in satisfaction of a Receivable less than the original amount thereof, except that, prior to the occurrence of an Event of Default, any Grantor may reduce the amount of Accounts arising from the sale of Inventory in accordance with its present policies and in the ordinary course of business.

(b) Collection of Receivables. Except as otherwise provided in this Security Agreement, each Grantor will collect and enforce, at such Grantor's sole expense, all amounts due or hereafter due to such Grantor under the Receivables.

(c) Delivery of Invoices. Each Grantor will deliver to the Agent immediately upon its request after the occurrence of an Event of Default duplicate invoices with respect to each Account bearing such language of assignment as the Agent shall specify.

(d) **RESERVED**

(e) Electronic Chattel Paper. Each Grantor shall take all steps necessary to grant the Agent Control of all electronic chattel paper in accordance with the UCC and all "transferable records" as defined in each of the Uniform Electronic Transactions Act and the Electronic Signatures in Global and National Commerce Act.

4.3. Inventory and Equipment.

(a) Maintenance of Goods. Each Grantor will do all things necessary to maintain, preserve, protect and keep the Inventory and the Equipment in at least as good repair and working and saleable condition as exist on the date hereof, except for such damage, wear and tear or defects that may arise in the ordinary course of such Grantor's business .

(b) Returned Inventory. In the event any Account Debtor returns Inventory to any Grantor when an Event of Default exists, such Grantor, upon the request of the Agent, shall: (i) hold the returned Inventory in trust for the Agent; (ii) segregate all returned Inventory from all of its other property; (iii) dispose of the returned Inventory solely according to the Agent's written instructions; and (iv) not issue any credits or allowances with respect thereto without the Agent's prior written consent. All returned Inventory shall be subject to the Agent's Liens thereon.

(c) Inventory Count; Perpetual Inventory System. Each Grantor will conduct a physical count of the Inventory after the occurrence of an Event of Default, if the Agent so requests. Each Grantor will maintain a perpetual inventory reporting system at all times.

(d) Equipment. Each Grantor shall not permit any Equipment to become a fixture with respect to real property or to become an accession with respect to other personal property with respect to which real or personal property the Agent does not have a Lien. No Grantor will, without the Agent's prior written consent, alter or remove any identifying symbol or number on any of the Grantor's Equipment constituting Collateral.

(e) Aircraft, Vessels and Titled Vehicles. Each Grantor will give the Agent notice of its acquisition of any aircraft or vessel requiring federal registration and of any vehicle covered by a certificate of title and deliver to the Agent, upon request, the original of any vehicle title certificate and do all things necessary to have the Lien of the Agent noted on any such certificate or with the appropriate state office or federal agency.

4.4. Delivery of Instruments, Securities, Chattel Paper and Documents. Each Grantor will (a) deliver to the Agent immediately upon execution of this Security Agreement the originals of all Chattel Paper, Securities and Instruments constituting Collateral (if any then exist), (b) hold in trust for the Agent upon receipt and immediately thereafter deliver to the Agent any Chattel Paper, Securities and Instruments constituting Collateral, (c) upon the Agent's request, deliver to the Agent (and thereafter hold in trust for the Agent upon receipt and immediately deliver to the Agent) any Document evidencing or constituting Collateral and (d) upon the Agent's request, deliver to the Agent a duly executed amendment to this Security Agreement, in the form of Exhibit I hereto (the "Amendment"), pursuant to which such Grantor will pledge such additional Collateral. Each Grantor hereby authorizes the Agent to attach each Amendment to this Security Agreement and agrees that all additional Collateral set forth in such Amendments shall be considered to be part of the Collateral.

4.5. Uncertificated Securities and Certain Other Investment Property. Each Grantor will permit the Agent from time to time to cause the appropriate issuers (and, if held with a securities intermediary, such securities intermediary) of uncertificated securities or other types of Investment Property not represented by certificates which are Collateral to mark their books and records with the numbers and face amounts of all such uncertificated securities or other types of Investment Property not represented by certificates and all rollovers and replacements therefor to reflect the Lien of the Agent granted pursuant to this Security Agreement. Each Grantor will take any actions necessary to cause (a) the issuers of uncertificated securities which are Collateral and which are Securities and (b) any securities intermediary which is the holder of any Investment Property, to cause the Agent to have and retain Control over such Securities or other Investment Property. Without limiting the foregoing, each Grantor will, with respect to Investment Property held with a securities intermediary, cause such securities intermediary to enter into a control agreement with the Agent, in form and substance satisfactory to the Agent, giving the Agent Control.

4.6. Pledged Collateral.

(a) Changes in Capital Structure of Issuers. No Grantor will (i) permit or suffer any issuer of Capital Stock constituting Pledged Collateral to dissolve, merge, liquidate, retire any of its Capital Stock or other Instruments or Securities evidencing ownership, reduce its capital, sell or encumber all or substantially all of its assets or merge or consolidate with any other entity or (ii) vote any Pledged Collateral in favor of any of the foregoing, except as permitted under the Facilities Agreement.

(b) Issuance of Additional Securities. Each Grantor will not permit or suffer the issuer of Capital Stock constituting Pledged Collateral of such Grantor to issue additional Capital Stock, any right to receive the same or any right to receive earnings, except to such Grantor.

(c) Registration of Pledged Collateral. Each Grantor will permit any registerable Pledged Collateral to be registered in the name of the Agent or its nominee at any time at the option of the Majority Second Lien Lenders.

(d) Exercise of Rights in Pledged Collateral.

(i) Without in any way limiting the foregoing, each Grantor shall have the right to exercise all voting rights or other rights relating to the Pledged Collateral of such Grantor for all purposes not inconsistent with this Security Agreement, the Facilities Agreement or any other Finance Document; *provided however, that* no vote or other right shall be exercised or action taken in a manner which would adversely affect the validity or enforceability of this Security Agreement or cause a Default to occur.

(ii) Each Grantor will permit the Agent or its nominee at any time after the occurrence of an Event of Default, without notice, to exercise all voting rights or other rights relating to Pledged Collateral, including, without limitation, exchange, subscription or any other rights, privileges, or options pertaining to any Capital Stock or Investment Property constituting Pledged Collateral as if it were the absolute owner thereof.

(iii) Each Grantor shall be entitled to collect and receive for its own use all cash dividends and interest paid in respect of the Pledged Collateral to the extent not in violation of the Facilities Agreement other than any of the following distributions and payments (collectively referred to as the "Excluded Payments"): (A) dividends and interest paid or payable other than in cash in respect of any Pledged Collateral, and instruments and other property received, receivable or otherwise distributed in respect of, or in exchange for, any Pledged Collateral; (B) dividends and other distributions paid or payable in cash in respect of any Pledged Collateral in connection with a partial or total liquidation or dissolution or in connection with a reduction of capital, capital surplus or paid-in capital of an issuer; and (C) cash paid, payable or otherwise distributed, in respect of principal of, or in redemption of, or in exchange for, any Pledged Collateral; *provided however, that* until actually paid, all rights to such distributions shall remain subject to the Lien created by this Security Agreement; and

(iv) All Excluded Payments and all other distributions in respect of any of the Pledged Collateral, whenever paid or made, shall be delivered to the Agent to hold as Pledged Collateral and shall, if received by any Grantor, be received in trust for the benefit of the Agent, be segregated from the other property or funds of the Grantors, and be forthwith delivered to the Agent as Pledged Collateral in the same form as so received (with any necessary endorsement).

4.7. Intellectual Property.

(a) Upon the occurrence and during the continuance of an Event of Default, each Grantor will endeavor in a manner consistent with the Agreed Security Principles to secure all consents and approvals necessary or appropriate for the assignment to or benefit of the Agent of any License held by the Grantor and to enforce the security interests granted hereunder.

(b) Each Grantor shall notify the Agent immediately if it knows or has reason to know that any application or registration relating to any Patent, Trademark or Copyright (now or hereafter existing) may become abandoned or dedicated, or of any adverse determination or development (including the institution of, or any such determination or development in, any proceeding in the United States Patent and Trademark Office, the United States Copyright Office or any court) regarding such Grantor's ownership of any Patent, Trademark or Copyright, its right to register the same, or to keep and maintain the same.

(c) In no event shall any Grantor, either directly or through any agent, employee, licensee or designee, file an application for the registration of any Patent, Trademark or Copyright with the United States Patent and Trademark Office, the United States Copyright Office or any similar office or agency without giving the Agent prior written notice thereof, and, upon request of the Agent, such Grantor shall execute and deliver any and all security agreements as the Agent may request to evidence the Agent's first priority security interest

on such Patent, Trademark or Copyright, and the General Intangibles of such Grantor relating thereto or represented thereby.

(d) Each Grantor shall take all actions necessary or requested by the Agent to maintain and pursue each application, to obtain the relevant registration and to maintain the registration of each of the Patents, Trademarks and Copyrights (now or hereafter existing), including the filing of applications for renewal, affidavits of use, affidavits of noncontestability and opposition and interference and cancellation proceedings unless the Grantor shall determine that such Patent, Trademark or Copyright is not material to the conduct of Grantor's business.

(e) Each Grantor shall, unless it shall reasonably determine that such Patent, Trademark or Copyright is in no way material to the conduct of its business or operations, promptly sue for infringement, misappropriation or dilution and to recover any and all damages for such infringement, misappropriation or dilution, and shall take such other actions as the Agent shall deem appropriate under the circumstances to protect such Patent, Trademark or Copyright. In the event that any Grantor institutes suit because any of the Patents, Trademarks or Copyrights constituting Collateral is infringed upon, or misappropriated or diluted by a third party, such Grantor shall comply with Section 4.8.

(f) Each Grantor that is the owner of a Patent or Trademark registered with the United States Patent and Trademark Office in a name other than the name of such Grantor agrees that (i) within 30 days from the date of this Security Agreement it will file with the United States Patent and Trademark Office appropriate documentation to record the change in ownership of such Patent or Trademark in its name, (ii) it will use its best efforts thereafter to assure that the United States Patent and Trademark Office properly records such changes in ownership, and (iii) immediately following such recordation it will provide to the Agent a replacement Exhibit D showing the Patents and Trademarks newly registered in its name in order to enable the Agent to file this Security Agreement and revised Exhibit D with the United States Patent and Trademark Office to perfect its security interest in such Patents and Trademarks.

4.8. Commercial Tort Claims. Each Grantor shall promptly, and in any event within two Business Days after the same is acquired by it, notify the Agent of any Commercial Tort Claim acquired by it and, unless the Agent otherwise consents, such Grantor shall enter into a supplement to this Security Agreement, granting to the Agent a third priority (to the security interests of the Agent for the benefit of the Revolving Finance Parties and the Facility A Finance Parties) security interest in such Commercial Tort Claim.

4.9. Letter-of-Credit Rights. If any Grantor is or becomes the beneficiary of a letter of credit, such Grantor shall promptly, and in any event within two Business Days after becoming a beneficiary, notify the Agent thereof and, promptly upon request by the Agent following the occurrence and during the continuance of any Event of Default, cause the issuer and/or confirmation bank to (i) consent to the assignment of any Letter-of-Credit Rights to the Agent and (ii) agree to direct all payments thereunder to a Deposit Account at the Agent or subject to a Deposit Account Control Agreement for application to the Secured Obligations in accordance with this Security Agreement, all in form and substance reasonably satisfactory to the Agent.

4.10. **RESERVED**

4.11. No Interference. Each Grantor agrees that it will not interfere with any right, power and remedy of the Agent provided for in this Security Agreement or now or hereafter existing at law or in equity or by statute or otherwise, or the exercise or beginning of the exercise by the Agent of any one or more of such rights, powers or remedies.

4.12. Deposit Accounts. Each Grantor (i) will cause each bank or other financial institution in which it at any time maintains (a) a Deposit Account to enter into a control agreement with the Agent, in form and substance satisfactory to the Agent in order to give the Agent Control of the Deposit Account or (b) other deposits (general or special, time or demand, provisional or final) to be notified of the security interest granted to the Agent hereunder and cause each such bank or other financial institution to acknowledge such notification

in writing and (ii) upon the Agent's request following direction from the Security Agent following the occurrence and during the continuance of any Event of Default, deliver to each such bank or other financial institution a letter, in form and substance reasonably acceptable to the Agent, transferring ownership of the Deposit Account to the Agent or transferring dominion and control over each such other deposit to the Agent. In the case of deposits maintained with Second Lien Finance Parties, the terms of such letter shall be subject to the provisions of the Facilities Agreement regarding setoffs.

ARTICLE V DEFAULT

5.1. Default. The occurrence of any Event of Default shall constitute an Event of Default under this Security Agreement.

5.2. Remedies.

(a) Upon the occurrence of an Event of Default, the Agent may, with the concurrence or at the direction of the Majority Second Lien Lenders, exercise any or all of the following rights and remedies:

(i) those rights and remedies provided in this Security Agreement or the Facilities Agreement, *provided that*, this Section 5.2(a) shall not be understood to limit any rights or remedies available to the Agent, the Security Agent and the Second Lien Finance Parties prior to an Event of Default;

(ii) those rights and remedies available to a secured party under the UCC (whether or not the UCC applies to the affected Collateral) or under any other applicable law (including, without limitation, any law governing the exercise of a bank's right of setoff or bankers' lien) when a debtor is in default under a security agreement;

(iii) give notice of sole control or any other instruction under any Deposit Account control agreement or any other control agreement with any securities intermediary and take any action therein with respect to such Collateral;

(iv) without notice (except as specifically provided in Section 8.1 or elsewhere herein), demand or advertisement of any kind to any Grantor or any other person, enter the premises of any Grantor where any Collateral is located (through self-help and without judicial process) to collect, receive, assemble, process, appropriate, sell, lease, assign, grant an option or options to purchase or otherwise dispose of, deliver, or realize upon, the Collateral or any part thereof in one or more parcels at public or private sale or sales (which sales may be adjourned or continued from time to time with or without notice and may take place at any Grantor's premises or elsewhere), for cash, on credit or for future delivery without assumption of any credit risk, and upon such other terms as the Agent may deem commercially reasonable; and

(v) concurrently with written notice to the Grantors, transfer and register in its name or in the name of its nominee the whole or any part of the Pledged Collateral, to exchange certificates or instruments representing or evidencing Pledged Collateral for certificates or instruments of smaller or larger denominations, to exercise the voting and all other rights as a holder with respect thereto, to collect and receive all cash dividends, interest, principal and other distributions made thereon and to otherwise act with respect to the Pledged Collateral as though the Agent were the outright owner thereof.

(b) The Agent, on behalf of the Second Lien Finance Parties, may comply with any applicable state or federal law requirements in connection with a disposition of the Collateral and compliance will not be considered to adversely affect the commercial reasonableness of any sale of the Collateral.

(c) The Agent shall have the right upon any such public sale or sales and, to the extent permitted by law, upon any such private sale or sales, to purchase for the benefit of the Agent and the Second Lien Finance Parties, the whole or any part of the Collateral so sold, free of any right of equity redemption, which equity redemption each Grantor hereby expressly releases.

(d) Until the Agent is able to effect a sale, lease, or other disposition of Collateral, the Agent shall have the right to hold or use Collateral, or any part thereof, to the extent that it deems appropriate for the purpose of preserving Collateral or its value or for any other purpose deemed appropriate by the Agent. The Agent may, if it so elects, seek the appointment of a receiver or keeper to take possession of Collateral and to enforce any of the Agent's remedies (for the benefit of the Agent and the Second Lien Finance Parties), with respect to such appointment without prior notice or hearing as to such appointment.

(e) Notwithstanding the foregoing, neither the Agent nor the Second Lien Finance Parties shall be required to (i) make any demand upon, or pursue or exhaust any of their rights or remedies against, the Grantors, any other obligor, guarantor, pledgor or any other person with respect to the payment of the Secured Obligations or to pursue or exhaust any of their rights or remedies with respect to any Collateral therefor or any direct or indirect guarantee thereof, (ii) marshal the Collateral or any guarantee of the Secured Obligations or to resort to the Collateral or any such guarantee in any particular order, or (iii) effect a public sale of any Collateral.

(f) Each Grantor recognizes that the Agent may be unable to effect a public sale of any or all the Pledged Collateral and may be compelled to resort to one or more private sales thereof in accordance with clause (a) above. Each Grantor also acknowledges that any private sale may result in prices and other terms less favorable to the seller than if such sale were a public sale and, notwithstanding such circumstances, agrees that any such private sale shall not be deemed to have been made in a commercially unreasonable manner solely by virtue of such sale being private. The Agent shall be under no obligation to delay a sale of any of the Pledged Collateral for the period of time necessary to permit any Grantor or the issuer of the Pledged Collateral to register such securities for public sale under the Securities Act of 1933, as amended, or under applicable state securities laws, even if the Grantors and the issuer would agree to do so.

5.3. Grantors' Obligations Upon an Event of Default. Upon the request of the Agent after the occurrence of an Event of Default, each Grantor will:

(a) assemble and make available to the Agent the Collateral and all books and records relating thereto at any place or places specified by the Agent, whether at such Grantor's premises or elsewhere;

(b) permit the Agent, by the Agent's representatives and agents, to enter any premises where all or any part of the Collateral, or the books and records relating thereto, or both, are located, to take possession of all or any part of the Collateral or the books and records relating thereto, or both, to remove all or any part of the Collateral or the books and records relating thereto, or both, and to conduct sales of the Collateral;

(c) prepare and file, or cause an issuer of Pledged Collateral to prepare and file, with the Securities and Exchange Commission or any other applicable government agency, registration statements, a prospectus and such other documentation in connection with the Pledged Collateral as the Agent may request, all in form and substance satisfactory to the Agent, and furnish to the Agent, or cause an issuer of Pledged Collateral to furnish to the Agent, any information regarding the Pledged Collateral in such detail as the Agent may specify; and

(d) take, or cause an issuer of Pledged Collateral to take, any and all actions necessary to register or qualify the Pledged Collateral to enable the Agent to consummate a public sale or other disposition of the Pledged Collateral.

5.4. Grant of Intellectual Property License. For the purpose of enabling the Agent to exercise the rights and remedies under this Article V at such time as the Agent shall be lawfully entitled to exercise such rights and remedies, each Grantor hereby (a) grants to the Agent, for the benefit of the Agent and the Second Lien Finance Parties, an irrevocable, nonexclusive license (exercisable without payment of royalty or other compensation to such Grantor) to use, license or sublicense any Copyrights, Patents and Trademarks now owned or hereafter acquired by such Grantor, and wherever the same may be located, and including in such license access to all media in which any of the licensed items may be recorded or stored and to all computer software and programs used for the compilation or printout thereof and (b) irrevocably agrees that the Agent may sell any of such Grantor's Inventory directly to any person, including without limitation persons who have previously purchased such Grantor's Inventory from such Grantor and in connection with any such sale or other enforcement of the Agent's rights under this Security Agreement, may sell Inventory which bears any Trademark owned by or licensed to such Grantor and any Inventory that is covered by any Copyright owned by or licensed to such Grantor and the Agent may finish any work in process and affix any Trademark owned by or licensed to such Grantor and sell such Inventory as provided herein.

ARTICLE VI ATTORNEY IN FACT; PROXY

6.1. Authorization for Agent to Take Certain Action. Each Grantor irrevocably authorizes the Agent at any time and from time to time in the sole discretion of the Agent (except as noted below) and appoints the Agent as its attorney in fact (i) to execute on behalf of such Grantor as debtor and to file financing statements necessary or desirable in the Agent's sole discretion to perfect and to maintain the perfection and priority of the Agent's security interest in the Collateral, (ii) to endorse and collect any cash proceeds of the Collateral, (iii) to file a carbon, photographic or other reproduction of this Security Agreement or any financing statement with respect to the Collateral as a financing statement and to file any other financing statement or amendment of a financing statement (which does not add new collateral or add a debtor) in such offices as the Agent in its sole discretion deems necessary or desirable to perfect and to maintain the perfection and priority of the Agent's security interest in the Collateral, (iv) to contact and enter into one or more agreements with the issuers of uncertificated securities which are Collateral and which are Securities or with securities intermediaries holding other Investment Property as may be necessary or advisable to give the Agent Control over such Securities or other Investment Property, (v) after the occurrence of an Event of Default, to enforce payment of the Receivables in the name of the Agent or such Grantor, (vi) after the occurrence of an Event of Default, to apply the proceeds of any Collateral received by the Agent to the Secured Obligations as provided in Section 7.3 and (vii) to discharge past due taxes, assessments, charges, fees or Liens on the Collateral (except for such Liens as are specifically permitted hereunder), and the Grantor agrees to reimburse the Agent on demand for any payment made or any expense incurred by the Agent in connection therewith; *provided that*, this authorization shall not relieve any Grantor of any of its obligations under this Security Agreement or under the Facilities Agreement.

6.2. PROXY. EACH GRANTOR HEREBY IRREVOCABLY CONSTITUTES AND APPOINTS THE AGENT AS THE PROXY AND ATTORNEY-IN-FACT OF SUCH GRANTOR WITH RESPECT TO THE PLEDGED COLLATERAL, SECURITIES, INSTRUMENTS AND OTHER INVESTMENT PROPERTY OWNED BY SUCH GRANTOR, INCLUDING THE RIGHT TO VOTE SUCH COLLATERAL, WITH FULL POWER OF SUBSTITUTION TO DO SO. THE APPOINTMENT OF THE AGENT AS PROXY AND ATTORNEY-IN-FACT IS COUPLED WITH AN INTEREST AND SHALL BE IRREVOCABLE UNTIL THE DATE ON WHICH THIS SECURITY AGREEMENT IS TERMINATED IN ACCORDANCE WITH SECTION 8.15. IN ADDITION TO THE RIGHT TO VOTE ANY SUCH COLLATERAL, THE APPOINTMENT OF THE AGENT AS PROXY AND ATTORNEY-IN-FACT SHALL INCLUDE THE RIGHT TO EXERCISE ALL OTHER RIGHTS, POWERS, PRIVILEGES AND REMEDIES

TO WHICH A HOLDER OF SUCH COLLATERAL WOULD BE ENTITLED (INCLUDING GIVING OR WITHHOLDING WRITTEN CONSENTS OF SHAREHOLDERS, CALLING SPECIAL MEETINGS OF MEMBERS AND VOTING AT SUCH MEETINGS). SUCH PROXY SHALL BE EFFECTIVE, AUTOMATICALLY AND WITHOUT THE NECESSITY OF ANY ACTION (INCLUDING ANY TRANSFER OF ANY SUCH COLLATERAL ON THE RECORD BOOKS OF THE ISSUER THEREOF) BY ANY PERSON (INCLUDING THE ISSUER OF SUCH COLLATERAL OR ANY OFFICER OR THE AGENT THEREOF), UPON THE OCCURRENCE OF A DEFAULT. NOTWITHSTANDING THE FOREGOING, NEITHER THE AGENT NOR ANY SECOND LIEN FINANCE PARTY SHALL HAVE ANY DUTY TO EXERCISE ANY SUCH RIGHT OR TO PRESERVE THE SAME AND SHALL NOT BE LIABLE FOR ANY FAILURE TO DO SO OR FOR ANY DELAY IN DOING SO.

ARTICLE VII PROCEEDS; COLLECTION OF RECEIVABLES

7.1. Lockboxes. Upon request of the Agent after the occurrence and during the continuance of an Event of Default, each Grantor shall execute and deliver to the Agent irrevocable lockbox agreements in the form provided by or otherwise acceptable to the Agent, which agreements shall be accompanied by an acknowledgment by the bank where the lockbox is located of the Lien of the Agent granted hereunder and of irrevocable instructions to wire all amounts collected therein to a special collateral account at the Agent.

7.2. Collection of Receivables. Upon receipt of a written direction from the Security Agent at any time after the occurrence and during the continuance of an Event of Default, the Agent shall, by giving the Grantors written notice, require that the Receivables be paid directly to the Agent for the benefit of the Second Lien Finance Parties. In such event, each Grantor shall, and shall permit the Agent to, promptly notify the account debtors or obligors under the Receivables of the Second Lien Finance Parties' interest therein and direct such account debtors or obligors to make payment of all amounts then or thereafter due under the Receivables directly to the Agent. Upon receipt of any such notice from the Agent, the Grantors shall thereafter hold in trust for the Agent, on behalf of the Second Lien Finance Parties, all amounts and proceeds received by them with respect to the Receivables and immediately and at all times thereafter deliver to the Agent all such amounts and proceeds in the same form as so received, whether by cash, check, draft or otherwise, with any necessary endorsements. The Agent shall hold and apply funds so received as provided by the terms of Sections 7.3 and 7.4.

7.3. Special Collateral Account. Upon receipt of a written direction from the Security Agent at any time after the occurrence and during the continuance of an Event of Default, the Agent shall require all cash proceeds of the Collateral to be deposited in a special non-interest bearing cash collateral account with the Agent and to be held there as security for the Secured Obligations. The Grantors shall have no control whatsoever over the cash collateral account. The Agent shall, at the direction of the Security Agent, from time to time, forward the collected balances in the cash collateral account to the Security Agent for application to the Secured Obligations as provided in Section 7.4.

7.4. Application of Proceeds. The proceeds of the Collateral shall be forwarded by the Agent to the Security Agent for application to the Secured Obligations in accordance with the terms of the Intercreditor Agreement.

ARTICLE VIII GENERAL PROVISIONS

8.1. Waivers. Each Grantor hereby waives notice of the time and place of any public sale or the time after which any private sale or other disposition of all or any part of the Collateral may be made. To the extent such notice may not be waived under applicable law, any notice made shall be deemed reasonable if sent to such Grantor, addressed as set forth in Article IX, at least ten days prior to (i) the date of any such public sale or (ii) the time after which any such private sale or other disposition may be made. To the maximum extent

permitted by applicable law, each Grantor waives all claims, damages, and demands against the Agent or any Second Lien Finance Party arising out of the repossession, retention or sale of the Collateral, except such as arise solely out of the gross negligence or willful misconduct of the Agent or such Second Lien Finance Party as finally determined by a court of competent jurisdiction. To the extent it may lawfully do so, each Grantor absolutely and irrevocably waives and relinquishes the benefit and advantage of, and covenants not to assert against the Agent or any Second Lien Finance Party, any valuation, stay, appraisal, extension, moratorium, redemption or similar laws and any and all rights or defenses it may have as a surety now or hereafter existing which, but for this provision, might be applicable to the sale of any Collateral made under the judgment, order or decree of any court, or privately under the power of sale conferred by this Security Agreement, or otherwise. Except as otherwise specifically provided herein, each Grantor hereby waives presentment, demand, protest or any notice (to the maximum extent permitted by applicable law) of any kind in connection with this Security Agreement or any Collateral.

8.2. Limitation on Agent's and Second Lien Finance Parties' Duty with Respect to the Collateral.

The Agent shall have no obligation to clean-up or otherwise prepare the Collateral for sale. The Agent and each Second Lien Finance Party shall use reasonable care with respect to the Collateral in its possession or under its control. Neither the Agent nor any Second Lien Finance Party shall have any other duty as to any Collateral in its possession or control or in the possession or control of any agent or nominee of the Agent or such Second Lien Finance Party, or any income thereon or as to the preservation of rights against prior parties or any other rights pertaining thereto. To the extent that applicable law imposes duties on the Agent to exercise remedies in a commercially reasonable manner, each Grantor acknowledges and agrees that it is commercially reasonable for the Agent (i) to fail to incur expenses deemed significant by the Agent to prepare Collateral for disposition or otherwise to transform raw material or work in process into finished goods or other finished products for disposition, (ii) to fail to obtain third party consents for access to Collateral to be disposed of, or to obtain or, if not required by other law, to fail to obtain governmental or third party consents for the collection or disposition of Collateral to be collected or disposed of, (iii) to fail to exercise collection remedies against Account Debtors or other persons obligated on Collateral or to remove Liens on or any adverse claims against Collateral, (iv) to exercise collection remedies against Account Debtors and other persons obligated on Collateral directly or through the use of collection agencies and other collection specialists, (v) to advertise dispositions of Collateral through publications or media of general circulation, whether or not the Collateral is of a specialized nature, (vi) to contact other persons, whether or not in the same business as the Grantor, for expressions of interest in acquiring all or any portion of such Collateral, (vii) to hire one or more professional auctioneers to assist in the disposition of Collateral, whether or not the Collateral is of a specialized nature, (viii) to dispose of Collateral by utilizing internet sites that provide for the auction of assets of the types included in the Collateral or that have the reasonable capacity of doing so, or that match buyers and sellers of assets, (ix) to dispose of assets in wholesale rather than retail markets, (x) to disclaim disposition warranties, such as title, possession or quiet enjoyment, (xi) to purchase insurance or credit enhancements to insure the Agent against risks of loss, collection or disposition of Collateral or to provide to the Agent a guaranteed return from the collection or disposition of Collateral, or (xii) to the extent permissible by law, to obtain the services of other brokers, investment bankers, consultants and other professionals to assist the Agent in the collection or disposition of any of the Collateral. Each Grantor acknowledges that the purpose of this Section 8.2 is to provide non-exhaustive indications of what actions or omissions by the Agent would be commercially reasonable in the Agent's exercise of remedies against the Collateral and that other actions or omissions by the Agent shall not be deemed commercially unreasonable solely on account of not being indicated in this Section 8.2. Without limitation upon the foregoing, nothing contained in this Section 8.2 shall be construed to grant any rights to the Grantors or to impose any duties on the Agent that would not have been granted or imposed by this Security Agreement or by applicable law in the absence of this Section 8.2.

8.3. Compromises and Collection of Collateral. The Grantors and the Agent recognize that setoffs, counterclaims, defenses and other claims may be asserted by obligors with respect to certain of the Receivables, that certain of the Receivables may be or become uncollectible in whole or in part and that the expense and probability of success in litigating a disputed Receivable may exceed the amount that reasonably may be expected to be recovered with respect to a Receivable. In view of the foregoing, each Grantor agrees that the Agent may at any time and from time to time, if an Event of Default has occurred and is continuing,

compromise with the obligor on any Receivable, accept in full payment of any Receivable such amount as the Agent in its sole discretion shall determine or abandon any Receivable, and any such action by the Agent shall be commercially reasonable so long as the Agent acts in good faith based on information known to it at the time it takes any such action.

8.4. Agent Performance of Debtor Obligations. Without having any obligation to do so, the Agent may perform or pay any obligation which each Grantor has agreed to perform or pay in this Security Agreement and the Grantors shall reimburse the Agent for any amounts paid by the Agent pursuant to this Section 8.4. The Grantors' obligation to reimburse the Agent pursuant to the preceding sentence shall be a Secured Obligation payable on demand.

8.5. Specific Performance of Certain Covenants. Each Grantor acknowledges and agrees that a breach of any of the covenants contained in Sections 4.1(d), 4.1(e), 4.4, 4.5, 4.6, 4.7, 4.8, 4.9, 4.12, 5.3, or 7.1 will cause irreparable injury to the Agent and Second Lien Finance Parties, that the Agent and Second Lien Finance Parties have no adequate remedy at law in respect of such breaches and therefore agrees, without limiting the right of the Agent or the Second Lien Finance Parties to seek and obtain specific performance of other obligations of the Grantors contained in this Security Agreement, that the covenants of the Grantors contained in the Sections referred to in this Section 8.5 shall be specifically enforceable against the Grantors.

8.6. Use and Possession of Certain Premises. Upon the occurrence of an Event of Default, the Agent shall be entitled to occupy and use any premises owned or leased by a Grantor where any of the Collateral or any records relating to the Collateral are located until the Secured Obligations are paid or the Collateral is removed therefrom, whichever first occurs, without any obligation to pay such Grantor for such use and occupancy.

8.7. Dispositions Not Authorized. No Grantor is authorized to sell or otherwise dispose of the Collateral except as set forth in Section 4.1(d) and notwithstanding any course of dealing between the Grantors and the Agent or other conduct of the Agent, no authorization to sell or otherwise dispose of the Collateral (except as set forth in Section 4.1(d)) shall be binding upon the Agent or the Second Lien Finance Parties unless such authorization is in writing signed by the Agent.

8.8. No Waiver; Amendments; Cumulative Remedies. No delay or omission of the Agent or any Second Lien Finance Party to exercise any right or remedy granted under this Security Agreement shall impair such right or remedy or be construed to be a waiver of any Event of Default or an acquiescence therein, and any single or partial exercise of any such right or remedy shall not preclude any other or further exercise thereof or the exercise of any other right or remedy. No waiver, amendment or other variation of the terms, conditions or provisions of this Security Agreement whatsoever shall be valid unless in writing signed by the Agent. All rights and remedies contained in this Security Agreement or by law afforded shall be cumulative and all shall be available to the Agent and the Second Lien Finance Parties until the Secured Obligations have been paid in full.

8.9. Limitation by Law; Severability of Provisions. All rights, remedies and powers provided in this Security Agreement may be exercised only to the extent that the exercise thereof does not violate any applicable provision of law, and all the provisions of this Security Agreement are intended to be subject to all applicable mandatory provisions of law that may be controlling and to be limited to the extent necessary so that they shall not render this Security Agreement invalid, unenforceable or not entitled to be recorded or registered, in whole or in part. Any provision in any this Security Agreement that is held to be inoperative, unenforceable, or invalid in any jurisdiction shall, as to that jurisdiction, be inoperative, unenforceable, or invalid without affecting the remaining provisions in that jurisdiction or the operation, enforceability, or validity of that provision in any other jurisdiction, and to this end the provisions of this Security Agreement are declared to be severable.

8.10. Reinstatement. This Security Agreement shall remain in full force and effect and continue to be effective should any petition be filed by or against any Grantor for liquidation or reorganization, should any Grantor become insolvent or make an assignment for the benefit of any creditor or creditors or should a receiver or trustee be appointed for all or any significant part of any Grantor's assets, and shall continue to be effective or

be reinstated, as the case may be, if at any time payment and performance of the Secured Obligations, or any part thereof, is, pursuant to applicable law, rescinded or reduced in amount, or must otherwise be restored or returned by any obligee of the Secured Obligations, whether as a "voidable preference," "fraudulent conveyance," or otherwise, all as though such payment or performance had not been made. In the event that any payment, or any part thereof, is rescinded, reduced, restored or returned, the Secured Obligations shall be reinstated and deemed reduced only by such amount paid and not so rescinded, reduced, restored or returned.

8.11. Benefit of Agreement. The terms and provisions of this Security Agreement shall be binding upon and inure to the benefit of the Grantors, the Agent and the Second Lien Finance Parties and their respective successors and assigns (including all persons who become bound as a debtor to this Security Agreement), except that no Grantor shall have the right to assign its rights or delegate its obligations under this Security Agreement or any interest herein, without the prior written consent of the Agent. No sales of participations, assignments, transfers, or other dispositions of any agreement governing the Secured Obligations or any portion thereof or interest therein shall in any manner impair the Lien granted to the Agent, for the benefit of the Agent and the Second Lien Finance Parties, hereunder.

8.12. Survival of Representations. All representations and warranties of the Grantors contained in this Security Agreement shall survive the execution and delivery of this Security Agreement.

8.13. Taxes and Expenses. Any taxes (including income taxes) payable or ruled payable by Federal or State authority in respect of this Security Agreement shall be paid by the Grantors together with interest and penalties, if any. The Grantors shall reimburse the Agent for any and all out-of-pocket expenses and internal charges (including reasonable attorneys', auditors' and accountants' fees and reasonable time charges of attorneys, paralegals, auditors and accountants who may be employees of the Agent) paid or incurred by the Agent in connection with the preparation, execution, delivery, administration, collection and enforcement of this Security Agreement and in the audit, analysis, administration, collection, preservation or sale of the Collateral (including the expenses and charges associated with any periodic or special audit of the Collateral). Any and all costs and expenses incurred by a Grantor in the performance of actions required pursuant to the terms hereof shall be borne solely by such Grantor.

8.14. Headings. The title of and section headings in this Security Agreement are for convenience of reference only, and shall not govern the interpretation of any of the terms and provisions of this Security Agreement.

8.15. Termination. This Security Agreement shall continue in effect (notwithstanding the fact that from time to time there may be no Secured Obligations outstanding) until (i) the Facilities Agreement has terminated pursuant to its express terms and (ii) all of the Secured Obligations have been indefeasibly paid and performed in full and no commitments of the Agent or the Second Lien Finance Parties which would give rise to any Secured Obligations are outstanding.

8.16. Entire Agreement. This Security Agreement embodies the entire agreement and understanding between the Grantors and the Agent relating to the Collateral and supersedes all prior agreements and understandings between the Grantors and the Agent relating to the Collateral.

8.17. **CHOICE OF LAW. THIS SECURITY AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS (AND NOT THE LAW OF CONFLICTS) OF THE STATE OF MICHIGAN, BUT GIVING EFFECT TO FEDERAL LAWS APPLICABLE TO NATIONAL BANKS.**

8.18. **WAIVER OF JURY TRIAL. THE GRANTORS AND THE AGENT HEREBY WAIVE TRIAL BY JURY IN ANY JUDICIAL PROCEEDING INVOLVING, DIRECTLY OR INDIRECTLY, ANY MATTER (WHETHER SOUNDING IN TORT, CONTRACT OR OTHERWISE) IN ANY WAY ARISING OUT OF, RELATED TO, OR CONNECTED WITH THIS SECURITY AGREEMENT OR ANY RELATED DOCUMENT OR THE RELATIONSHIP ESTABLISHED THEREUNDER.**

8.19. Indemnity. Each Grantor hereby agrees to indemnify the Agent and the Second Lien Finance Parties, and their respective successors, assigns, agents and employees, from and against any and all liabilities, damages, penalties, suits, costs, and expenses of any kind and nature (including, without limitation, all expenses of litigation or preparation therefor whether or not the Agent or any Second Lien Finance Party is a party thereto) imposed on, incurred by or asserted against the Agent or the Second Lien Finance Parties, or their respective successors, assigns, agents and employees, in any way relating to or arising out of this Security Agreement, or the manufacture, purchase, acceptance, rejection, ownership, delivery, lease, possession, use, operation, condition, sale, return or other disposition of any Collateral (including, without limitation, latent and other defects, whether or not discoverable by the Agent or the Second Lien Finance Parties or any Grantor, and any claim for Patent, Trademark or Copyright infringement).

8.20. Counterparts. This Security Agreement may be executed in any number of counterparts, all of which taken together shall constitute one agreement, and any of the parties hereto may execute this Security Agreement by signing any such counterpart.

8.21. Section Titles. The Section titles contained in this Security Agreement are and shall be without substantive meaning or content of any kind whatsoever and are not part of the agreement between the parties hereto.

8.22. Intercreditor Agreement. It is expressly understood and agreed that the Security (as defined in the Facilities Agreement) granted hereby and all rights and remedies set forth herein for the benefit of the Agent on behalf of the Second Lien Finance Parties shall be subject to the intercreditor and subordination terms of the Intercreditor Agreement and all such terms are incorporated by reference herein mutatis mutandis as if originally set forth herein.

ARTICLE IX NOTICES

9.1. Sending Notices. Any notice required or permitted to be given under this Security Agreement shall be sent by United States mail, telecopier, personal delivery or nationally established overnight courier service, and shall be deemed received (a) when received, if sent by hand or overnight courier service, or mailed by certified or registered mail notices or (b) when sent, if sent by telecopier (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next Business Day for the recipient), in each case addressed to each Grantor at the address set forth on Exhibit A as its principal place of business, to the Agent at the address set forth below its signature, and the Second Lien Finance Parties at the addresses set forth in the Facilities Agreement.

9.2. Change in Address for Notices. Each of the Grantors and the Agent may change the address for service of notice upon it by a notice in writing to the other parties.

ARTICLE X THE AGENT


JPMorgan Chase Bank, N.A. has been appointed sub-agent for the Second Lien Finance Parties by the Security Agent pursuant to Clause 14.6 of the Intercreditor Agreement. It is expressly understood and agreed by the parties to this Security Agreement that any authority conferred upon the Agent hereunder is subject to the terms of the delegation of authority made by the Security Agent and the Second Lien Finance Parties to the Agent pursuant to the Intercreditor Agreement, and that the Agent has agreed to act (and any successor Agent shall act) as such hereunder only on the express conditions contained therein. Any successor Agent appointed pursuant to the Intercreditor Agreement shall be entitled to all the rights, interests and benefits of the Agent hereunder.

[Signature Page Follows]


IN WITNESS WHEREOF, each Grantor and the Agent have executed this Security Agreement as of the date first above written, which shall be the effective date of this Security Agreement.

GRANTORS:


TI AUTOMOTIVE, L.L.C.

By: 
Print Name: Timothy M. Guerriero
Title: SECRETARY

TI GROUP AUTOMOTIVE SYSTEMS, L.L.C.

By: 
Print Name: Timothy M. Guerriero
Title: SECRETARY

HANIL USA, L.L.C.

By: 
Print Name: Timothy M. Guerriero
Title: SECRETARY

JPMORGAN CHASE BANK, N.A.,
as Agent

By: _____
Print Name: _____
Title: _____

Address: _____

Fax No.: _____
Attention: _____

IN WITNESS WHEREOF, each Grantor and the Agent have executed this Security Agreement as of the date first above written, which shall be the effective date of this Security Agreement.

GRANTORS:

TI AUTOMOTIVE, L.L.C.

By: _____
Print Name: _____
Title: _____

TI GROUP AUTOMOTIVE SYSTEMS, L.L.C.

By: _____
Print Name: _____
Title: _____

HANIL USA, L.L.C.

By: _____
Print Name: _____
Title: _____

JPMORGAN CHASE BANK, N.A.,
as Agent

By: James W Peterson
Print Name: James W Peterson
Title: Vice President

Address: European Clients Group
277 Park Ave - 39th Floor
New York NY 10172

Fax No.: 646-534-3921
Attention: James W Peterson

STATE OF Michigan)
) SS
COUNTY OF Oakland)

The foregoing instrument was acknowledged before me this 25th day of June, 2007, by Timothy M. Guemero, a Secretary of TI AUTOMOTIVE, L.L.C., on behalf of said company.

DEBORAH D. DOMBROWSKI
Notary Public, Oakland County, MI
Acting in Oakland County, Michigan
My Commission Expires on 08-17-2010

Deborah D. Dombrowski
Notary Public

My commission expires: _____

STATE OF Michigan)
) SS
COUNTY OF Oakland)

The foregoing instrument was acknowledged before me this 25th day of June, 2007, by Timothy M. Guemero, a Secretary of TI GROUP AUTOMOTIVE SYSTEMS, L.L.C., on behalf of said company.

DEBORAH D. DOMBROWSKI
Notary Public, Oakland County, MI
Acting in Oakland County, Michigan
My Commission Expires on 08-17-2010

Deborah D. Dombrowski
Notary Public

My commission expires: _____

STATE OF Michigan)
COUNTY OF Oakland) SS

The foregoing instrument was acknowledged before me this 25th day of JUNE, 2007, by Timothy M. Guerrero, a Secretary of HANIL USA, L.L.C., on behalf of said company.

Deborah D. Dombrowski
Notary Public

DEBORAH D. DOMBROWSKI
Notary Public, Oakland County, MI
Acting in Oakland County, Michigan
My Commission Expires on 08-17-2010

My commission expires: _____

STATE OF _____)
COUNTY OF _____) SS

The foregoing instrument was acknowledged before me this ____ day of _____, 2007, by _____, a _____ of JPMORGAN CHASE BANK, N.A., on behalf of said banking association.

Notary Public

My commission expires: _____

DETROIT 26671-4 992154v5

STATE OF _____)
) SS
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 2007, by _____, a _____ of HANIL USA, L.L.C., on behalf of said company.

Notary Public

My commission expires: _____

STATE OF New York)
) SS
COUNTY OF New York)

The foregoing instrument was acknowledged before me this 26th day of June, 2007, by James W. Peterson, a V.P. of JPMORGAN CHASE BANK, N.A., on behalf of said banking association.

Gloria P. Wright
Notary Public
Gloria P. Wright
Notary Public, State of New York
No. 01WR6105226
Qualified in Nassau County
Certificate Filed in New York County
Commission Expires Feb. 9, 2008
My commission expires: _____

DETROIT 26871-4 992154v5