

MIRD 9-28-98

10-01-1998



FORM PTO-1618A
Expires 06/30/99
OMB 0651-0027

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U.S. Department of Commerce
Patent and Trademark Office
TRADEMARK

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RECORDATION FORM COVER SHEET
TRADEMARKS ONLY

TO: The Commissioner of Patents and Trademarks: Please record the attached original document(s) or copy(ies).

Submission Type

- New
- Resubmission (Non-Recordation)
Document ID # _____
- Correction of PTO Error
Reel # _____ Frame # _____
- Corrective Document
Reel # _____ Frame # _____

Conveyance Type

- Assignment
 - License
 - Security Agreement
 - Nunc Pro Tunc Assignment
 - Merger
 - Change of Name
 - Other _____
- Effective Date
Month Day Year
7/21/98

Conveying Party

Mark if additional names of conveying parties attached

Name **FAME INFORMATION SERVICES, INC.**

Execution Date
Month Day Year
7/21/98

Formerly _____

- Individual
- General Partnership
- Limited Partnership
- Corporation
- Association
- Other _____

Citizenship/State of Incorporation/Organization **Delaware**

Receiving Party

Mark if additional names of receiving parties attached

Name **DEUTSCHE BANK, AG. New York Branch**

DBA/AKA/TA _____

Composed of _____

Address (line 1) **31 West 52nd Street**

Address (line 2) _____

Address (line 3) **New York**

New York

10019

- Individual
 - General Partnership
 - Limited Partnership
 - Corporation
 - Association
 - Other _____
- If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative should be attached. (Designation must be a separate document from Assignment)

Citizenship/State of Incorporation/Organization **GERMANY**

09/30/1998 JSHADAZZ 00000064 130206 75263999
01 FC:461 40.00 CH
02 FC:482 25.00 CH

FOR OFFICE USE ONLY

Public burden reporting for this collection of information is estimated to average approximately 30 minutes per Cover Sheet to be recorded, including time for reviewing the document and gathering the data needed to complete the Cover Sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Chief Information Officer, Washington, Information and Regulatory Affairs, Office of Management and Budget, Paperwork Reduction Project (0451-0027), Washington, D.C. 20503. See OMB

CERTIFICATE OF MAILING

I hereby certify that this correspondence is being deposited with the United States Postal Service as first class mail in an envelope addressed to Assistant Commissioner of Patents and Trademarks, Box Assignments, Washington, D.C. 20231
Commissioner for Trademarks, 2900 Crystal Drive, Arlington, VA 22202 - 3513, on:

DATE OF DEPOSIT: 9/25/98
SIGNATURE: [Signature]
DATE OF SIGNATURE: 9/25/98

TRADEMARK
REEL: 1793 FRAME: 0939

Domestic Representative Name and Address

Enter for the first Receiving Party only.

Name Janet A. Marvel

Address (line 1) McDermott, Will & Emery

Address (line 2) 227 West Monroe Street

Address (line 3) Chicago, Illinois 60606-5096

Address (line 4)

Correspondent Name and Address

Area Code and Telephone Number 312/984-6484

Name Janet A. Marvel

Address (line 1) McDermott, Will & Emery

Address (line 2) 227 West Monroe Street

Address (line 3) Chicago, Illinois 60606-5096

Address (line 4)

Pages Enter the total number of pages of the attached conveyance document including any attachments.

33

Trademark Application Number(s) or Registration Number(s)

Mark if additional numbers attached

Enter either the Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for the same property).

Trademark Application Number(s)

Registration Number(s)

75/263,999

1,489,949

Number of Properties Enter the total number of properties involved.

2

Fee Amount Fee Amount for Properties Listed (37 CFR 3.41):

\$ 65.00

Method of Payment: Enclosed Deposit Account

Deposit Account (Enter for payment by deposit account or if additional fees can be charged to the account.)

Deposit Account Number: # 13-0206

Authorization to charge additional fees: Yes No

Statement and Signature

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document. Charges to deposit account are authorized, as indicated herein.

Janet A. Marvel
Name of Person Signing

Signature

September 25, 1998
Date Signed

CERTIFICATE OF MAILING

I hereby certify that this correspondence is being deposited with the United States Postal Service as first class mail in an envelope addressed to: Assistant Commissioner for Trademarks, 2900 Crystal Drive, Arlington, VA 22202-3513, on:

DATE OF DEPOSIT: 9/25/98

SIGNATURE: Maureen Zupka

DATE OF SIGNATURE: 9/25/98

IN THE UNITED STATES PATENT AND TRADEMARK ASSIGNMENT BRANCH

RECEIVING PARTY: DEUTSCHE BANK AG

MARK: TIMEIQ

SERIAL NO.: 75/263,999

INT'L CLASS NO.: 9

FILING DATE: March 26, 1997

To: Assistant Commissioner for Trademarks
2900 Crystal Drive
Arlington, VA 22202-3513

**DESIGNATION OF A DOMESTIC REPRESENTATIVE AND POWER OF ATTORNEY
FOR RECORDATION OF SECURITY INTEREST**

Receiving Party hereby appoints Janet Marvel, of the law firm of MCDERMOTT, WILL & EMERY, as Receiving Party's designated domestic representative upon whom notices or process affecting this security interest recordation may be served.

Receiving party hereby appoints MCDERMOTT, WILL & EMERY, which has associated with it the following attorneys with the power to appoint associate attorneys, as its attorneys, with full power of revocation, to transact all business in the U.S. Patent and Trademark Office Assignment Branch affecting this security interest recordation.

In its Chicago, Illinois office, Michelle C. Burke, Paula J. Krasny, Margaret M. Duncan, Janet A. Marvel, John G. Bisbikis, Susan N. McFee, Rebecca B. Lederhouse, Tracey Thomas, Christine Galbraith, Julie D. Cromer and David J. Dicker, each of whom is a member of at least the Bar of the State of Illinois, located at 227 West Monroe Street, Suite 4400, Chicago, Illinois 60606-5096;

In its Washington, D.C. office, Raphael V. Lupo, Jack Q. Lever, Jr., Donna M. Tanguay, Kenneth L. Cage, Melise R. Blakeslee, Mark G. Davis, Paul Devinsky, Robert W. Zelnick and Joanne Ludovici-Lint, members of at least the Bar of the District of Columbia, and Wilhlem F. Gadiano and Jeffrey H. Greger, members of the Bar of the Commonwealth of Virginia, located at 600 13th Street, N.W., Washington, D.C. 20005-3096;

In its Menlo Park, California office, James E. Eakin, a member of the Bar of the State of California, located at 2700 Sand Hill Road, Menlo Park, California 94028; and

In its San Jose, California office, Chris Palermo, a member of the Bar of the State of California, located at 50 West San Fernando Street, Suite 330, San Jose, California 95113.

Please address all correspondence and telephone inquiries to:

Janet A. Marvel, Esq.
McDERMOTT, WILL & EMERY
227 W. Monroe Street
Suite 4400
Chicago, IL 60606-5096
312/372-2000

DEUTSCHE BANK AG
New York Branch and Cayman Islands Branch

By: *William W. McGinty* *Andre Heitbaum*
Name: William W. McGinty Andre Heitbaum
Director Asst. Vice President
Title: _____

Dated: September 22, 1998

IN THE UNITED STATES PATENT AND TRADEMARK ASSIGNMENT BRANCH

RECEIVING PARTY: DEUTSCHE BANK AG

MARK: FAME

REGISTRATION NO.: 1,489,949

INT'L CLASS NO.: 9

REGISTRATION DATE: May 31, 1998

To: Assistant Commissioner for Trademarks
2900 Crystal Drive
Arlington, VA 22202-3513

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In its Washington, D.C. office, Raphael V. Lupo, Jack Q. Lever, Jr., Donna M. Tanguay, Kenneth L. Cage, Melise R. Blakeslee, Mark G. Davis, Paul Devinsky, Robert W. Zelnick and Joanne Ludovici-Lint, members of at least the Bar of the District of Columbia, and Wilhem F. Gadiano and Jeffrey H. Greger, members of the Bar of the Commonwealth of Virginia, located at 600 13th Street, N.W., Washington, D.C. 20005-3096;

In its Menlo Park, California office, James E. Eakin, a member of the Bar of the State of California, located at 2700 Sand Hill Road, Menlo Park, California 94028; and

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Please address all correspondence and telephone inquiries to:

Janet A. Marvel, Esq.
MCDERMOTT, WILL & EMERY
227 W. Monroe Street
Suite 4400
Chicago, IL 60606-5096
312/372-2000

DEUTSCHE BANK AG

New York Branch and Cayman Islands Branch

By: *William W. McGinty* *Andre Heitbaum*
Name: William W. McGinty Andre Heitbaum
Director Asst. Vice President
Title: _____

Dated: _____

SECURITY AGREEMENT

THIS SECURITY AGREEMENT (this "Agreement"), dated as of July 21, 1998, is made by FAME INFORMATION SERVICES, INC., a Delaware corporation ("FAME U.S."), and each of the other Persons as may become parties to this Security Agreement pursuant to Section 22 (the Borrower and each such other Person individually a "Grantor" and collectively referred to herein as the "Grantors") in favor of DEUTSCHE BANK AG, NEW YORK BRANCH, the New York branch of Deutsche Bank AG, a German banking corporation, as agent for the Lenders and its successors as agent for the Term Lenders, the "Term Agent").

RECITALS

A. FAME (UK) Holdings Limited (the "Borrower") is a party to that certain Term Credit Agreement dated as of July 21, 1998 by and among the Borrower, FAME U.S., as a guarantor, the several financial institutions from time to time party thereto (the "Term Lenders"), and Deutsche Bank AG, New York Branch, as agent for such lenders (as amended, restated, modified, renewed, supplemented or extended from time to time, the "Term Credit Agreement").

B. Each of the Grantors is a party to that certain Guaranty, of even date herewith, or to a supplement thereto, pursuant to which such Grantor has agreed to guarantee all of the "Obligations" of the Borrower under and as defined in the Term Credit Agreement (as amended, restated, modified, renewed, supplemented or extended from time to time, the "Guaranty");

C. It is a condition precedent to each Lender's obligation to make its Term Loan under the Term Credit Agreement that the Grantors enter into this Agreement and grant to the Term Agent, for itself and for the ratable benefit of the other Lender Parties the security interests hereinafter provided to secure the obligations of the Grantors described below.

D. It is in the best interest of the Grantors to execute this Agreement as the Grantors will derive substantial direct and indirect benefits from the Term Loans to be made by the Term Lenders to the Borrower under the Term Credit Agreement.

E. Each of the Grantors has duly authorized the execution, delivery and performance of this Agreement.

Accordingly, the parties hereto agree as follows:

SECTION 1 Definitions; Interpretation.

(a) Terms Defined in Term Credit Agreement. All capitalized terms used in this Agreement and not otherwise defined herein have the meanings specified in the Term Credit Agreement whether or not the same then remains in effect.

(b) Certain Defined Terms. As used in this Agreement, the following terms have the following meanings:

“Accounts” means, with respect to a Grantor, any and all accounts of such Grantor, whether now existing or hereafter acquired or arising, and in any event includes all accounts receivable, contract rights, rights to payment and other obligations of any kind owed to such Grantor arising out of or in connection with the sale or lease of merchandise, goods or commodities or the rendering of services or arising from any other transaction, however evidenced, and whether or not earned by performance, all guaranties, indemnities and security with respect to the foregoing, and all other obligations owing to such Grantor, and all letters of credit relating thereto, in each case whether now existing or hereafter acquired or arising.

“Books” means, with respect to a Grantor, all books, records and other written, electronic or other documentation in whatever form maintained now or hereafter by or for such Grantor in connection with the ownership of its assets or the conduct of its business or evidencing or containing information relating to the Collateral, including: (i) ledgers; (ii) records indicating, summarizing, or evidencing such Grantor's assets (including Inventory and Rights to Payment), business operations or financial condition; (iii) computer programs and software; (iv) computer discs, tapes, files, manuals, spreadsheets; (v) computer printouts and output of whatever kind; (vi) any other computer prepared or electronically stored, collected or reported information and equipment of any kind; and (vii) any and all other rights now or hereafter arising out of any contract or agreement between such Grantor and any service bureau, computer or data processing company or other Person charged with preparing or maintaining any of such Grantor's books or records or with credit reporting, including with regard to such Grantor's Accounts.

“Chattel Paper” means all writings of whatever sort which evidence a monetary obligation and a security interest in or lease of specific goods, whether now existing or hereafter arising.

“Collateral” has the meaning specified in Section 2.

“Deposit Account” means any demand, time, savings, passbook or like account now or hereafter maintained by or for the benefit of a Grantor with a Lender, savings and loan association, credit union or like organization (including the Term Agent) and all funds and amounts therein, whether or not restricted or designated for a particular purpose.

“Documents” means, with respect to a Grantor, any and all documents of title, bills of lading, dock warrants, dock receipts, warehouse receipts and other documents of such Grantor, whether or not negotiable, and includes all other documents which purport to be issued by a bailee or agent and purport to cover goods in any bailee's or agent's possession which are either identified or are fungible portions of an identified mass, including such documents of title made available to such Grantor for the purpose of ultimate sale or exchange of goods or for the purpose of loading, unloading, storing, shipping, transshipping, manufacturing, processing or otherwise dealing with goods in a manner preliminary to their sale or exchange, in each case whether now existing or hereafter acquired or arising.

“Equipment” means, with respect to a Grantor, all now existing or hereafter acquired equipment of such Grantor in all of its forms, wherever located, and in any event includes any and all machinery, furniture, equipment, furnishings and fixtures in which such Grantor now or hereafter acquires any right, and all other goods and tangible personal property

(other than Inventory), including tools, parts and supplies, automobiles, trucks, tractors and other vehicles, computer and other electronic data processing equipment and other office equipment, computer programs and related data processing software, and all additions, substitutions, replacements, parts, accessories, and accessions to and for the foregoing, now owned or hereafter acquired, and including any of the foregoing which are or are to become fixtures on real property.

“Financing Statements” has the meaning specified in Section 3.

“General Intangibles” means, with respect to a Grantor, all general intangibles of such Grantor, now existing or hereafter acquired or arising, and in any event includes: (i) all tax and other refunds, rebates or credits of every kind and nature to which such Grantor is now or hereafter may become entitled; (ii) all good will, choses in action and causes of action, whether legal or equitable, whether in contract or tort and however arising; (iii) all Intellectual Property Collateral; (iv) all uncertificated securities and other interests in limited and general partnerships; (v) all rights of stoppage in transit, replevin and reclamation; (vi) all licenses, permits, consents, indulgences and rights of whatever kind issued in favor of or otherwise recognized as belonging to such Grantor by any Governmental Authority; and (vii) all indemnity agreements, guaranties, insurance policies and other contractual, equitable and legal rights of whatever kind or nature; in each case whether now existing or hereafter acquired or arising.

“Instruments” means, with respect to a Grantor, any and all negotiable instruments and every other writing which evidences a right to the payment of money, in each case whether now existing or hereafter acquired.

“Intellectual Property Collateral” means, with respect to a Grantor, the following properties and assets owned or held by such Grantor or in which such Grantor otherwise has any interest, now existing or hereafter acquired or arising:

(i) all patents and patent applications, domestic or foreign, all licenses relating to any of the foregoing and all income and royalties with respect to any licenses (including such patents, patent applications and patent licenses as described in Schedule 1), all rights to sue for past, present or future infringement thereof, all rights arising therefrom and pertaining thereto and all reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof;

(ii) all copyrights and applications for copyright, domestic or foreign, together with the underlying works of authorship (including titles), whether or not the underlying works of authorship have been published and whether said copyrights are statutory or arise under the common law, and all other rights and works of authorship, all rights, claims and demands in any way relating to any such copyrights or works, including royalties and rights to sue for past, present or future infringement, and all rights of renewal and extension of copyright;

(iii) all state (including common law), federal and foreign trademarks, service marks and trade names, and applications for registration of such trademarks, service marks and trade names, all licenses relating to any of the foregoing and all income and royalties with respect to any licenses (including such marks, names, applications and licenses as described in Schedule 1), whether registered or unregistered and wherever registered, all rights to sue for past,

present or future infringement or unconsented use thereof, all rights arising therefrom and pertaining thereto and all reissues, extensions and renewals thereof;

(iv) all trade secrets, confidential information, customer lists, license rights, advertising materials, operating manuals, methods, processes, know-how, sales literature, drawings, specifications, blue prints, descriptions, inventions, name plates and catalogs; and

(v) the entire goodwill of or associated with the businesses now or hereafter conducted by such Grantor connected with and symbolized by any of the aforementioned properties and assets.

“Inventory” means, with respect to a Grantor, any and all of such Grantor's inventory in all of its forms, wherever located, whether now owned or hereafter acquired, and in any event includes all goods (including goods in transit) which are held for sale, lease or other disposition, including those held for display or demonstration or out on lease or consignment or to be furnished under a contract of service, or which are raw materials, work in process, finished goods or materials used or consumed in such Grantor's business, and the resulting product or mass, and all repossessed, returned, rejected, reclaimed and replevied goods, together with all parts, components, supplies, packing and other materials used or usable in connection with the manufacture, production, packing, shipping, advertising, selling or furnishing of such goods; and all other items hereafter acquired by such Grantor by way of substitution, replacement, return, repossession or otherwise, and all additions and accessions thereto, and any Document representing or relating to any of the foregoing at any time.

“Lender Party” means, as the context may require, the Term Agent, any Lender (including any Lender in its capacity as Issuing Lender), any Lender or its Affiliate in its capacity as Swap Provider or the Agent or the Term Lenders or the Term Agent and each of their respective successors, transferees and assigns.

“Proceeds” means, with respect to a Grantor, whatever is receivable or received from or upon the sale, lease, license, collection, use, exchange or other disposition, whether voluntary or involuntary, of any Collateral or other assets of such Grantor, including “proceeds” as defined at UCC Section 9-306, any and all proceeds of any insurance, indemnity, warranty or guaranty payable to or for the account of such Grantor from time to time with respect to any of the Collateral, any and all payments (in any form whatsoever) made or due and payable to such Grantor 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 under color of Governmental Authority), any and all other amounts from time to time paid or payable under or in connection with any of the Collateral or for or on account of any damage or injury to or conversion of any Collateral by any Person, any and all other tangible or intangible property received upon the sale or disposition of Collateral, and all proceeds of proceeds.

“Rights to Payment” means all Accounts, and any and all rights and claims to the payment or receipt of money or other forms of consideration of any kind in, to and under all Chattel Paper, Documents, General Intangibles, Instruments and Proceeds.

“Secured Obligations” means all Obligations of each of the Grantors under or in connection with the Term Credit Agreement and each other Loan Document to which each of the Grantors (or any of them) are or may become a party, whether for principal, interest, costs, fees, expenses, indemnities or otherwise and all obligations of each of the Grantors existing under this Security Agreement and each other Loan Document to which the Grantors (or any of them) are or may become a party, in each case whether now existing or hereafter arising, and whether due or to become due, absolute or contingent, liquidated or unliquidated, determined or undetermined.

“UCC” means the Uniform Commercial Code as the same may, from time to time, be in effect in the State of New York; provided, however, in the event that, by reason of mandatory provisions of law, any or all of the attachment, perfection or priority of the security interest in any Collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other than the State of New York, the term “UCC” shall mean the Uniform Commercial Code as in effect in such other jurisdiction for purposes of the provisions hereof relating to such attachment, perfection or priority and for purposes of definitions related to such provisions.

(c) Terms Defined in UCC. Where applicable and except as otherwise defined herein, terms used in this Agreement shall have the meanings assigned to them in the UCC.

SECTION 2 Security Interest.

(a) Grant of Security Interest. As security for the payment and performance of the Secured Obligations, each of the Grantors hereby pledges, assigns, transfers, hypothecates and sets over to the Term Agent for its benefit and for the ratable benefit of the other Lender Parties, and hereby grants to the Term Agent for its benefit and for the ratable benefit of the other Lender Parties, a security interest in all of such Grantor's right, title and interest in, to and under the following property, wherever located and whether now existing or owned or hereafter acquired or arising (collectively, the “Collateral”): (i) all Accounts; (ii) all Chattel Paper; (iii) all Deposit Accounts; (iv) all Documents; (v) all Equipment; (vi) all General Intangibles; (vii) all Instruments; (viii) all Inventory; (ix) all Books; (x) all Investment Property; and (xi) all products and Proceeds of any and all of the foregoing.

(b) Grantor Remains Liable. Anything herein to the contrary notwithstanding, (i) each Grantor shall remain liable under any contracts, agreements and other documents 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, (ii) the exercise by the Term Agent of any of the rights hereunder prior to foreclosure in any manner which, under applicable law, discharges Grantor in full shall not release any Grantor from any of its duties or obligations under such contracts, agreements and other documents included in the Collateral, and (iii) neither the Term Agent nor any other Lender Party shall have any obligation or liability under any contracts, agreements and other documents included in the Collateral by reason of this Agreement, nor shall the Term Agent or any other Lender Party be obligated to perform any of the obligations or duties of such Grantor thereunder or to take any action to collect or enforce any such contract, agreement or other document included in the Collateral hereunder.

(c) Continuing Security Interest. Each Grantor agrees that this Agreement shall create a continuing security interest in the Collateral which shall remain in effect until terminated in accordance with Section 25.

SECTION 3 Financing Statements, Etc. Each Grantor shall execute and deliver to the Term Agent concurrently with the execution of this Agreement, and at any time and from time to time thereafter, all financing statements, continuation statements, termination statements, security agreements, chattel mortgages, assignments, patent, copyright and trademark collateral assignments, fixture filings, warehouse receipts, documents of title, affidavits, reports, notices, schedules of account, letters of authority and all other documents and instruments, in form satisfactory to the Term Agent (the "Financing Statements"), and take all other action, as the Term Agent may reasonably request, to perfect and continue perfected, maintain the priority of or provide notice of the Term Agent's security interest in the Collateral and to accomplish the purposes of this Agreement.

SECTION 4 Representations and Warranties. In addition to the representations and warranties of the Grantors set forth in the Term Credit Agreement, which are incorporated herein by this reference, each Grantor represents and warrants to the Term Agent that:

(a) Location of Chief Executive Office and Collateral. Such Grantor's chief executive office and principal place of business is located at the address set forth in Schedule 1, and all other locations where such Grantor conducts business or Collateral is kept are set forth in Schedule 1.

(b) Locations of Books. All locations where Books pertaining to the Rights to Payment are kept, including all equipment necessary for accessing such Books and the names and addresses of all service bureaus, computer or data processing companies and other Persons keeping any Books or collecting Rights to Payment for such Grantor, are set forth in Schedule 1.

(c) Trade Names and Trade Styles. All trade names and trade styles under which such Grantor presently conducts its business operations are set forth in Schedule 1, and, except as set forth in Schedule 1, such Grantor has not, at any time during the preceding five years: (i) been known as or used any other corporate, trade or fictitious name; (ii) changed its name; (iii) been the surviving or resulting corporation in a merger or consolidation; or (iv) acquired through asset purchase or otherwise any business of any Person.

(d) Ownership of Collateral. Such Grantor is, and, except as permitted by Section 5(i), will continue to be, the sole and complete owner of the Collateral (or, in the case of after-acquired Collateral, at the time such Grantor acquires rights in such Collateral, will be the sole and complete owner thereof), free from any Lien other than Permitted Liens.

(e) Enforceability; Priority of Security Interest. To the extent the Collateral hereunder is within the scope of the UCC, (i) this Agreement creates a security interest which is enforceable against the Collateral in which such Grantor now has rights and will create a security interest which is enforceable against the Collateral in which such Grantor hereafter acquires rights at the time such Grantor acquires any such rights; and (ii) the Term Agent has a perfected and first priority security interest in the Collateral, in which such Grantor now has rights, and

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discounts, retainages, notes, and other items, to the extent reflected by such Grantor's reserves for uncollectible receivables, and any, that such account debtors or other Persons may be entitled to normal and ordinary course trade discounts, returns, adjustments and allowances in accordance with Section 5(m), or as otherwise disclosed to the Agent in writing; to such Grantor's knowledge, all Rights to Payment comply in all material respects with all applicable laws concerning form, content and manner of preparation and execution, including where applicable any federal or state consumer credit laws; (ii) all statements made, all unpaid balances and all other information in the Books and other documentation relating to the Rights to Payment are true and correct and in all material respects what they purport to be; and (iii) such Grantor has no knowledge of any fact or circumstance which would materially impair the validity or collectibility of the Rights to Payment in the aggregate.

(h) Inventory. No Inventory is stored with any bailee, warehouseman or similar Person or on any premises leased to any Grantor, nor has any Inventory been consigned to any Grantor or consigned by any Grantor to any Person or is held by any Grantor for any Person under any "bill and hold" or other arrangement, except as set forth in Schedule 1.

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(ii) all maintenance fees required to be paid on account of any patents have been timely paid for maintaining such patents in force, and, to such Grantor's knowledge, each of the patents is valid and enforceable and such Grantor has notified the Term Agent in writing of all material prior art (including public uses and sales) of which it is aware;

(iii) to such Grantor's knowledge, no material infringement or unauthorized use presently is being made of any Intellectual Property Collateral by any Person;

(iv) such Grantor is the sole and exclusive owner of the Intellectual Property Collateral and the past, present and contemplated future use of such Intellectual Property Collateral by such Grantor has not, does not and will not infringe or violate any right, privilege or license agreement of or with any other Person; and

(v) such Grantor owns, has material rights under, is a party to, or an assignee of a party to all material licenses, patents, patent applications, copyrights, service marks, trademarks, trademark applications, trade names and all other Intellectual Property Collateral necessary to continue to conduct its business as heretofore conducted.

(j) Equipment. None of the Equipment or other Collateral is affixed to real property, except Collateral with respect to which such Grantor has supplied the Term Agent with all information and documentation necessary to make all fixture filings required to perfect and protect the priority of the Term Agent's security interest in all such Collateral which may be fixtures as against all Persons having an interest in the premises to which such property may be affixed. None of the Equipment is leased from or to any Person, except as set forth at Schedule 1 or as otherwise disclosed to the Term Agent.

(k) Deposit Accounts. The names and addresses of all financial institutions at which such Grantor maintains its Deposit Accounts, and the account numbers and account names of such Deposit Accounts, are set forth in Schedule 1.

(l) Compliance with Federal Fair Labor Standards Act. All Collateral produced by the Borrower or its Subsidiaries has been and will be produced and, to the extent produced by another Person, to such Grantor's knowledge has been and will be produced, in compliance with the Federal Fair Labor Standards Act.

(m) Corporate Existence and Power. Such Grantor (i) is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation; (ii) has the power and authority and all governmental licenses, authorizations, consents and approvals to own its assets, carry on its business and to execute, deliver, and perform its obligations under the Agreement and any other Loan Document to which it is a party; (iii) is duly qualified as a foreign corporation and is licensed and in good standing under the laws of each jurisdiction where its ownership, lease or operation of property or the conduct of its business requires such qualification or license; (iv) is in compliance with all Requirements of Law; except, in each case referred to in clause (iii) or clause (iv), to the extent that the failure to do so could not reasonably be expected to have a Material Adverse Effect.

(n) Corporate Authorization; No Contravention. The execution, delivery and performance by such Grantor of this Agreement and each other Loan Document to which it is a

party, have been duly authorized by all necessary corporate action, and do not and will not: (i) contravene the terms of any of such Grantor's Organization Documents; (ii) conflict with or result in any breach or contravention of, or the creation of any Lien under, any document evidencing any Contractual Obligation to which such Grantor is a party or any order, injunction, writ or decree of any Governmental Authority to which such Grantor or its property is subject; or (iii) violate any Requirement of Law.

(o) Governmental Authorization. No approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Authority is necessary or required in connection with the execution, delivery or performance by, or enforcement against, such Grantor of this Agreement or any other Loan Document to which it is a party.

SECTION 5 Covenants. So long as any of the Secured Obligations remain unsatisfied or any Lender shall have any Commitment or any Letter of Credit shall be outstanding or any Specified Swap Contract shall be in effect, each Grantor agrees that:

(a) Defense of Collateral. Such Grantor will appear in and defend any action, suit or proceeding which may affect to a material extent its title to, or right or interest in, or the Term Agent's right to or interest in, the Collateral.

(b) Preservation of Collateral. Such Grantor will do and perform all reasonable acts that may be necessary and appropriate to maintain, preserve and protect the Collateral.

(c) Compliance with Laws, Etc. Such Grantor will comply in all material respects with all laws, regulations and ordinances, and all policies of insurance, relating in a material way to the possession, operation, maintenance and control of the Collateral.

(d) Location of Books and Chief Executive Office. Such Grantor will: (i) keep all Books pertaining to the Rights to Payment at the locations set forth in Schedule 1; and (ii) give at least 30 days' prior written notice to the Term Agent of (A) any changes in any such location where Books pertaining to the Rights to Payment are kept, including any change of name or address of any service bureau, computer or data processing company or other Person preparing or maintaining any Books or collecting Rights to Payment for the Grantor and (B) any changes in the location of such Grantor's chief executive office or principal place of business.

(e) Location of Collateral. Such Grantor will: (i) keep the Collateral at the locations set forth in Schedule 1 and not remove the Collateral from such locations (other than disposals of Collateral permitted by subsection 5(i)) except upon at least 30 days' prior written notice of any removal to the Term Agent; and (ii) give the Term Agent at least 30 days' prior written notice of any change in the locations set forth in Schedule 1.

(f) Change in Name, Identity or Structure. Such Grantor will give at least 30 days' prior written notice of (i) any change in its name, (ii) any changes in, additions to or other modifications of its trade names and trade styles set forth in Schedule 1, and (iii) any changes in its identity or structure in any manner which might make any Financing Statement filed hereunder incorrect or misleading.

(g) Maintenance of Records. Such Grantor will keep separate, accurate and complete Books with respect to the Collateral, disclosing the Term Agent's security interest hereunder.

(h) Invoicing of Sales. Such Grantor will invoice all of its sales upon forms customary in the industry and to maintain proof of delivery and customer acceptance of goods.

(i) Disposition of Collateral. Such Grantor will not surrender or lose possession of (other than to the Term Agent), sell, lease, rent, or otherwise dispose of or transfer any of the Collateral or any right or interest therein, except to the extent permitted by the Term Credit Agreement.

(j) Liens. Other than liens in favor of the Term Agent in its capacity as Agent under the Term Credit Agreement and Permitted Liens, such Grantor will keep the Collateral free of all liens and security interests of any kind.

(k) Expenses. Such Grantor will pay all expenses of protecting, storing, warehousing, insuring, handling and shipping the Collateral.

(l) Leased Premises. At the Term Agent's request, such Grantor will use its best efforts to obtain from each Person from whom such Grantor leases any premises at which any Collateral is at any time present such subordination, waiver, consent and estoppel agreements as the Term Agent may require, in form and substance reasonably satisfactory to the Term Agent.

(m) Rights to Payment. Such Grantor will:

(i) with such frequency as the Term Agent may reasonably require, furnish to the Term Agent (A) master customer listings, including all names and addresses, together with copies or originals (as requested by the Term Agent) of documents, customer statements, repayment histories and present status reports relating to the Accounts; (B) accurate records and summaries of Accounts, including detailed agings specifying the name, face value and date of each invoice, and listings of Accounts that are disputed or have been cancelled; and (C) such other matters and information relating to the Accounts as the Term Agent shall from time to time reasonably request;

(ii) give only normal discounts, allowances and credits as to Accounts and other Rights to Payment, in the ordinary course of business, according to normal trade practices utilized by such Grantor in the past, and enforce all Accounts and other Rights to Payment in the ordinary course of business, and take all such action to such end as may from time to time be reasonably requested by the Term Agent;

(iii) if any material discount, allowance, credit, extension of time for payment, agreement to make a rebate or otherwise to reduce the amount owing on, or compromise or settle, an Account or other Right to Payment exists or occurs, or if, to the knowledge of such Grantor, any material dispute, setoff, claim, counterclaim or defense exists or has been asserted or threatened with respect to an Account or other Right to Payment, disclose such fact fully to the Term Agent in the Books relating to such Account or other Right to Payment and in

connection with any invoice or report furnished by such Grantor to the Term Agent relating to such Account or other Right to Payment;

(iv) if any Accounts arise from contracts with the United States or any department, agency or instrumentality thereof, immediately notify the Term Agent thereof and execute any documents and instruments and take any other steps requested by the Term Agent in order that all monies due and to become due thereunder shall be assigned to the Term Agent and notice thereof given to the Federal authorities under the Federal Assignment of Claims Act;

(v) in accordance with its sound business judgment perform and comply in all material respects with its obligations in respect of the Accounts and other Rights to Payment;

(vi) upon the request of the Term Agent (A) at any time, notify all or any designated portion of the account debtors and other obligors on the Rights to Payment of the security interest hereunder, and (B) upon the occurrence of an Event of Default and if so directed by the Term Agent, notify the account debtors and other obligors on the Rights to Payment or any designated portion thereof that payment shall be made directly to the Term Agent or to such other Person or location as the Term Agent shall specify; and

(vii) upon the occurrence of any Event of Default, establish such lockbox or similar arrangements for the payment of the Accounts and other Rights to Payment as the Term Agent shall require.

(n) Documents, Etc. Upon the request of the Term Agent, the Grantor will (i) immediately deliver to the Term Agent, or an agent designated by it, appropriately endorsed or accompanied by appropriate instruments of transfer or assignment, all Documents, Instruments and Chattel Paper, and all other Rights to Payment at any time evidenced by promissory notes, trade acceptances or other instruments, and (ii) mark all Documents and Chattel Paper with such legends as the Term Agent shall reasonably specify.

(o) Inventory. Such Grantor will:

(i) at such times as the Term Agent shall reasonably request, prepare and deliver to the Term Agent a report of all Inventory, in form and substance satisfactory to the Term Agent;

(ii) upon the request of the Term Agent, take a physical listing of the Inventory and promptly deliver a copy of such physical listing to the Term Agent; and

(iii) not store any Inventory with a bailee, warehouseman or similar Person or on premises leased to such Grantor, nor dispose of any Inventory on a bill-and-hold, guaranteed sale, sale and return, sale on approval, consignment or similar basis, nor acquire any Inventory from any Person on any such basis, without in each case giving the Term Agent prior written notice thereof.

(p) Equipment. Such Grantor will, upon the Term Agent's request, deliver to the Term Agent a report of each item of Equipment, in form and substance satisfactory to the Term Agent.

(q) Intellectual Property Collateral. Such Grantor will:

(i) not enter into any agreements or transactions (including any license or royalty agreement) pertaining to any Intellectual Property Collateral outside the ordinary course of business or on materially disadvantageous terms to the Grantor;

(ii) if reasonably within such Grantor's abilities, not allow or suffer any Intellectual Property Collateral to become abandoned, nor any registration thereof to be terminated, forfeited, expired or dedicated to the public;

(iii) promptly give the Term Agent notice of any rights such Grantor may obtain to any new patentable inventions, copyrightable works or other new Intellectual Property Collateral, prior to the filing of any application for registration thereof; and

(iv) diligently prosecute all applications for patents, copyrights and trademarks, and file and prosecute any and all continuations, continuations-in-part, applications for reissue, applications for certificate of correction and like matters as shall be reasonable and appropriate in accordance with prudent business practice, and promptly and timely pay any and all maintenance, license, registration and other fees, taxes and expenses incurred in connection with any Intellectual Property Collateral.

(r) Notices, Reports and Information. Such Grantor will (i) notify the Term Agent of any material claim made or asserted against the Collateral by any Person and of any change in the composition of the Collateral or other event which could materially adversely affect the value of the Collateral or the Term Agent's Lien thereon; (ii) furnish to the Term Agent such statements and schedules further identifying and describing the Collateral and such other reports and other information in connection with the Collateral as the Term Agent may reasonably request, all in reasonable detail; and (iii) upon request of the Term Agent make such demands and requests for information and reports as such Grantor is entitled to make in respect of the Collateral.

SECTION 6 Collection of Rights to Payment. Until the Term Agent exercises its rights hereunder to collect Rights to Payment, each Grantor shall endeavor in the first instance diligently to collect all amounts due or to become due on or with respect to the Rights to Payment. At the request of the Term Agent, upon and after the occurrence of any Event of Default, all remittances received by a Grantor shall be held in trust for the Term Agent and, in accordance with the Term Agent's instructions, remitted to the Term Agent or deposited to an account with the Term Agent in the form received (with any necessary endorsements or instruments of assignment or transfer).

SECTION 7 Authorization; Term Agent Appointed Attorney-in-Fact. The Term Agent shall have the right to, in the name of each Grantor, or in the name of the Term Agent or otherwise, without notice to or assent by the Grantors, and each Grantor hereby constitutes and appoints the Term Agent (and any of the Term Agent's officers, employees or agents designated by the Term Agent) as such Grantor's true and lawful attorney-in-fact, with full power and authority to:

(i) sign any of the Financing Statements which must be executed or filed to perfect or continue perfected, maintain the priority of or provide notice of the Term Agent's security interest in the Collateral and file any such Financing Statements by electronic means with or without a signature as authorized or required by applicable law or filing procedures;

(ii) take possession of and endorse any notes, acceptances, checks, drafts, money orders or other forms of payment or security and collect any Proceeds of any Collateral;

(iii) sign and endorse any invoice or bill of lading relating to any of the Collateral, warehouse or storage receipts, drafts against customers or other obligors, assignments, notices of assignment, verifications and notices to customers or other obligors;

(iv) notify the Postal Service authorities to change the address for delivery of mail addressed to such Grantor to such address as the Term Agent may designate and, without limiting the generality of the foregoing, establish with any Person lockbox or similar arrangements for the payment of the Rights to Payment;

(v) receive, open and dispose of all mail addressed to such Grantor;

(vi) send requests for verification of Rights to Payment to the customers or other obligors of such Grantor;

(vii) contact, or direct such Grantor to contact, all account debtors and other obligors on the Rights to Payment and instruct such account debtors and other obligors to make all payments directly to the Term Agent;

(viii) assert, adjust, sue for, compromise or release any claims under any policies of insurance;

(ix) exercise dominion and control over, and refuse to permit further withdrawals from, Deposit Accounts maintained with the Term Agent;

(x) notify each Person maintaining lockbox or similar arrangements for the payment of the Rights to Payment to remit all amounts representing collections on the Rights to Payment directly to the Term Agent;

(xi) ask, demand, collect, receive and give acquittances and receipts for any and all Rights to Payment, enforce payment or any other rights in respect of the Rights to Payment and other Collateral, grant consents, agree to any amendments, modifications or waivers of the agreements and documents governing the Rights to Payment and other Collateral, and otherwise file any claims, take any action or institute, defend, settle or adjust any actions, suits or proceedings with respect to the Collateral, as the Term Agent may deem necessary or desirable to maintain, preserve and protect the Collateral, to collect the Collateral or to enforce the rights of the Term Agent with respect to the Collateral;

(xii) execute any and all applications, documents, papers and instruments necessary for the Term Agent to use the Intellectual Property Collateral and grant or issue any

exclusive or non-exclusive license or sublicense with respect to any Intellectual Property Collateral;

(xiii) execute any and all endorsements, assignments or other documents and instruments necessary to sell, lease, assign, convey or otherwise transfer title in or dispose of the Collateral; and

(xiv) execute any and all such other documents and instruments, and do any and all acts and things for and on behalf of such Grantor, which the Term Agent may deem necessary or advisable to maintain, protect, realize upon and preserve the Collateral and the Term Agent's security interest therein and to accomplish the purposes of this Agreement.

The Term Agent agrees that, except upon and during the continuance of an Event of Default, it shall not exercise the power of attorney, or any rights granted to the Term Agent, pursuant to clauses (i) through (xiv). The foregoing power of attorney is coupled with an interest and irrevocable so long as any Lender has any Commitment or any Letter of Credit remains outstanding or any Specified Swap Contract shall be in effect or the Secured Obligations have not been paid and performed in full. Each Grantor hereby ratifies, to the extent permitted by law, all that the Term Agent shall lawfully and in good faith do or cause to be done by virtue of and in compliance with this Section 7.

SECTION 8 Term Agent Performance of Grantor Obligations. The Term Agent may perform or pay any obligation which a Grantor has agreed to perform or pay under or in connection with this Agreement, and the Grantors jointly and severally shall reimburse the Term Agent on demand for any amounts paid by the Term Agent pursuant to this Section 8.

SECTION 9 Term Agent's Duties. Notwithstanding any provision contained in this Agreement, the Term Agent shall have no duty to exercise any of the rights, privileges or powers afforded to it and shall not be responsible to the Grantor or any other Person for any failure to do so or delay in doing so. Beyond the exercise of reasonable care to assure the safe custody of Collateral in the Term Agent's possession and the accounting for moneys actually received by the Term Agent hereunder, the Term Agent shall have no duty or liability to exercise or preserve any rights, privileges or powers pertaining to the Collateral.

SECTION 10 Remedies. Remedies. Upon the occurrence of any Event of Default, the Term Agent shall have, in addition to all other rights and remedies granted to it in this Agreement, the Term Credit Agreement or any other Loan Document, all rights and remedies of a secured party under the UCC and other applicable laws. Without limiting the generality of the foregoing, each Grantor agrees that the Term Agent may:

(i) peaceably and without notice enter any premises of the Grantor, take possession of any the Collateral, remove or dispose of all or part of the Collateral on any premises or elsewhere, or, in the case of Equipment, render it nonfunctional, and otherwise collect, receive, appropriate and realize upon all or any part of the Collateral, and demand, give receipt for, settle, renew, extend, exchange, compromise, adjust, or sue for all or any part of the Collateral, as the Term Agent may determine;

(ii) require such Grantor to assemble all or any part of the Collateral and make it available to the Term Agent at any place and time designated by the Term Agent;

(iii) use or transfer any of such Grantor's rights and interests in any Intellectual Property Collateral, by license, by sublicense (to the extent permitted by an applicable license) or otherwise, on such conditions and in such manner as the Term Agent may determine;

(iv) secure the appointment of a receiver of the Collateral or any part thereof to the extent and in the manner provided by applicable law;

(v) withdraw (or cause to be withdrawn) any and all funds from Deposit Accounts; and

(vi) sell, resell, lease, use, assign, transfer or otherwise dispose of any or all of the Collateral in its then condition or following any commercially reasonable preparation or processing (utilizing in connection therewith any of such Grantor's assets, without charge or liability to the Term Agent therefor) at public or private sale, by one or more contracts, in one or more parcels, at the same or different times, for cash or credit, or for future delivery without assumption of any credit risk, all as the Term Agent deems advisable; provided, however, that such Grantor shall be credited with the net proceeds of sale only when such proceeds are finally collected by the Term Agent. The Term Agent shall have the right upon any such public sale, and, to the extent permitted by law, upon any such private sale, to purchase the whole or any part of the Collateral so sold, free of any right or equity of redemption, which right or equity of redemption such Grantor hereby releases, to the extent permitted by law. Such Grantor hereby agrees that the sending of notice by ordinary mail, postage prepaid, to the address of such Grantor set forth in the Term Credit Agreement, as applicable, of the place and time of any public sale or of the time after which any private sale or other intended disposition is to be made, shall be deemed reasonable notice thereof if such notice is sent ten days prior to the date of such sale or other disposition or the date on or after which such sale or other disposition may occur, provided that the Term Agent may provide such Grantor shorter notice or no notice, to the extent permitted by the UCC or other applicable law.

(b) License. For the purpose of enabling the Term Agent to exercise its rights and remedies under this Section 10 or otherwise in connection with this Agreement, the Grantor hereby grants to the Term Agent an irrevocable, non-exclusive and assignable license (exercisable without payment or royalty or other compensation to the Grantor) to use, license or sublicense any Intellectual Property Collateral.

(c) Proceeds Account. To the extent that any of the Secured Obligations may be contingent, unmatured or unliquidated (including with respect to undrawn amounts under any Letter of Credit or contingent amounts due under any Specified Swap Contract) at such time as there may exist an Event of Default, the Term Agent may, at its election, (i) retain the proceeds of any sale, collection, disposition or other realization upon the Collateral (or any portion thereof) in a special purpose non-interest-bearing restricted deposit account (the "Proceeds Account") created and maintained by the Term Agent for such purpose (which shall constitute a Deposit Account included within the Collateral hereunder) until such time as the Term Agent may elect to apply such proceeds to the Secured Obligations, and each Grantor agrees that such

retention of such proceeds by the Term Agent shall not be deemed strict foreclosure with respect thereto; (ii) in any manner elected by the Term Agent, estimate the liquidated amount of any such contingent, unmatured or unliquidated claims and apply the proceeds of the Collateral against such amount; or (iii) otherwise proceed in any manner permitted by applicable law. Each Grantor agrees that the Proceeds Account shall be a blocked account and that upon the irrevocable deposit of funds into the Proceeds Account, such Grantor shall not have any right of withdrawal with respect to such funds. Accordingly, each Grantor irrevocably waives until the termination of the security interests granted under this Agreement in accordance with Section 25 the right to make any withdrawal from the Proceeds Account and the right to instruct the Term Agent to honor drafts against the Proceeds Account.

(d) Application of Proceeds. Subject to subsection (c) immediately above, the cash proceeds actually received from the sale or other disposition or collection of Collateral, and any other amounts received in respect of the Collateral the application of which is not otherwise provided for herein, shall be applied (after payment of any amounts payable to the Term Agent pursuant to Section 8 or Section in whole or in part by the Term Agent for the benefit of the Lender Parties against all or any part of the Secured Obligations in the following order: (i) first, to any fees, costs, or other expenses due under the Loan Documents; (ii) next, to any interest (including interest due under subsection 2.10(c) of the Term Credit Agreement; (iii) next, to any principal due under the Loan Documents; (iv) last, to any other Secured Obligations (including secured Swap Obligations not included in (i) or (ii) above.) Any surplus thereof which exists after payment and performance in full of the Secured Obligations shall be promptly paid over to the Grantors or otherwise disposed of in accordance with the UCC or other applicable law. The Grantors shall remain liable to the Term Agent for any deficiency which exists after any sale or other disposition or collection of Collateral.

SECTION 11 Certain Waivers. Each Grantor waives, to the fullest extent permitted by law, (i) any right of redemption with respect to the Collateral, whether before or after sale hereunder, and all rights, if any, of marshalling of the Collateral or other collateral or security for the Secured Obligations; (ii) any right to require the Term Agent (A) to proceed against any Person, (B) to exhaust any other collateral or security for any of the Secured Obligations, (C) to pursue any specific remedy in the Term Agent's power, or (D) to make or give any presentments, demands for performance, notices of nonperformance, protests, notices of protests or notices of dishonor in connection with any of the Collateral; and (iii) all claims, damages, and demands against the Term Agent arising out of the repossession, retention, sale or application of the proceeds of any sale of the Collateral.

SECTION 12 Certain Additional Consents and Waivers. This Agreement is absolute, unconditional and irrevocable and is in no way conditioned or contingent on the Borrower's performance of any obligation under the Term Credit Agreement or any other Loan Document, any attempt to enforce in whole or in part any of the Borrower's liabilities and obligations to any Lender Party or the existence or continuance of the Borrower or any other Person as a legal entity, nor shall this Agreement or the Grantors' obligations hereunder be limited, impaired, restricted or otherwise affected by the consolidation or merger of the Borrower with or into any other entity, the sale, lease or other disposition by the Borrower of all or substantially all of its assets to any other entity (whether or not effected in compliance with the Loan Documents), or the Bankruptcy or insolvency of the Borrower, the admission in writing by

the Borrower of its inability to pay its debts as they mature, or its making of a general assignment for the benefit of, or entering into a composition or arrangement with, creditors.

(a) The Term Agent and the other Lender Parties may, at any time and from time to time, without the consent of or notice to the Grantors, except such notice as may be required by applicable statute which cannot be waived, without incurring responsibility to the Grantors, and without impairing or releasing the obligations of the Grantors hereunder, upon or without any terms or conditions and in whole or in part, (i) to the extent permitted by the Term Credit Agreement, change the manner, place and terms of payment or change or extend the time of payment of, renew or alter any obligation of the Borrower hereby secured, or in any manner modify, amend or supplement the terms of the Term Credit Agreement or other Loan Documents (other than this Agreement) or any documents, instruments or agreements executed in connection therewith (other than this Agreement), and this Agreement shall apply to the obligations and liabilities of the Borrower as changed, extended, renewed, modified, amended, supplemented or altered in any manner, (ii) exercise or refrain from exercising any rights against the Borrower or others (including the Grantors) or otherwise act or refrain from acting, (iii) settle or compromise any obligations and liabilities herein secured or any obligations and liabilities (including any of those hereunder) incurred directly or indirectly in respect thereof or hereof, and may subordinate the payment of all or any part thereof to the payment of any obligations and liabilities which may be due to the Term Agent, the other Lender Parties or others, (iv) sell, exchange, release, surrender, realize upon or otherwise deal with in any manner or in any order any property pledged or mortgaged by anyone to secure or in any manner securing the Secured Obligations, any liabilities or obligation (including any of those hereunder) incurred directly or indirectly in respect thereof or hereof or any other obligations or liabilities of the Borrower or the Grantors to the Lender Parties or any offset thereagainst, (v) take and hold security or additional security for any or all of the Secured Obligations, (vi) apply any sums by whomsoever paid or howsoever realized to any obligations and liabilities of the Borrower to the Lender Parties regardless of what obligations and liabilities remain unpaid, and (vii) in accordance with the Term Credit Agreement assign their rights and interests under this Agreement, the Term Credit Agreement or the other Loan Documents, in whole or in part. Without limiting the generality of the foregoing, each Grantor hereby specifically waives such Grantor's rights and benefits under any statute, regulation, judicial decision or other law which purports to exonerate or reduce the liability of a surety if the underlying obligation is altered in any respect or if the rights and remedies of the creditor against the principal in respect of a secured obligation are in any way altered, impaired or suspended and agrees that, by so doing, such Grantor's obligations hereunder shall continue even if the Lender Parties alter any obligations under the Term Credit Agreement or the other Loan Documents (other than this Agreement) in any respect or the Lender Parties' remedies or rights against the Borrower are in any way impaired or suspended without such Grantor's consent.

(b) No invalidity, irregularity or unenforceability of the obligations or liabilities of the Borrower under the Term Credit Agreement or any other Loan Document shall affect, impair or be a defense to this Agreement. Each Grantor hereby waives any and all benefits and defenses under any statute, regulation, judicial decision or other law which purports to exonerate or reduce the liability of a surety as a result of any disability or absence of liability of the principal or any defense to liability or enforcement which the principal may have and agrees that, by so doing, such Grantor's obligations and the security interests granted hereunder shall

continue even if the Borrower had no liability at the time of execution of the Term Credit Agreement, as applicable, or thereafter ceased or cease to be liable. Each Grantor also waives any and all benefits and defenses under any statute, regulation, judicial decision or other law which purports to limit the liability of a surety to that of the principal or to reduce the liability of a surety in proportion to any reduction in the liability of the principal and agrees that, by so doing, such Grantor's obligations hereunder may be more burdensome than that of the Borrower.

(c) Each Grantor, to the extent permitted under applicable law, hereby waives any right, whether arising under any statute, regulation, judicial decision or otherwise, to require the Term Agent or any other Lender Party to (i) proceed against the Borrower or any other Person acting as surety, guaranteeing or providing collateral or other credit support for the Borrower's obligations under the Term Credit Agreement or any other Loan Document (a "Third Party Credit Support Provider"), (ii) proceed against or exhaust any security received from the Borrower or any Third Party Credit Support Provider, or (iii) pursue any other right or remedy in the Term Agent's or the other Lender Parties' power whatsoever.

(d) Each Grantor further waives, to the extent permitted under applicable law: (i) any defense resulting from the absence, impairment or loss of any right of reimbursement, subrogation, contribution or other right or remedy of such Grantor against the Borrower, any Third Party Credit Support Provider or any security, whether resulting from an election by the Term Agent and the other Lender Parties to foreclose upon security by judicial or nonjudicial sale or otherwise; (ii) any setoff or counterclaim of the Borrower or any defense of any kind (including defenses resulting from any disability) or the cessation or stay of enforcement from any cause whatsoever of the liability of the Borrower (including without limitation the lack of validity or enforceability of the Term Credit Agreement or any other Loan Document); (iii) any right to exoneration, in whole or in part, of sureties or Third Party Credit Support Providers which would otherwise be applicable; (iv) any right of subrogation or reimbursement, any right of contribution, any right to enforce any remedy which the Term Agent and the other Lender Parties now have or may hereafter have against the Borrower, and any benefit of, and any right to participate in, any security now or hereafter held or received by the Lender Parties (or the Term Agent on their behalf); (v) except as required under the Term Credit Agreement, all presentments, demands for performance, notices of non-performance, protests, notice of dishonor, notices of acceptance of this Agreement or of the existence, creation or incurring of new or additional obligations under the Term Credit Agreement or the other Loan Documents, or any other notices of any kind; and (vi) all valuation, appraisal, extension or redemption laws now or hereafter in effect. Without limiting the generality of the preceding clause (iv), each Grantor hereby waives any right to be reimbursed by the Borrower or any Third Party Credit Support Provider for any payment of such obligations made directly or indirectly by such Grantor or from any property of such Grantor, whether arising by way of any statutory, contractual or other right of subrogation, contribution, indemnification or otherwise.

(e) Each Grantor acknowledges that it has the ability, and hereby assumes the obligation and responsibility, to keep informed of the financial condition of the Borrower and any Third Party Credit Support Provider and of other matters or circumstances affecting the ability of any of them to pay or perform their respective obligations thereunder or the risk of nonpayment and nonperformance. Each Grantor hereby waives any obligation on the part of the Term Agent or any other Lender Party to inform such Grantor of the financial condition, or any

changes in financial condition, of the Borrower or any Third Party Credit Support Provider or of any other matter or circumstance which might effect the ability of the Borrower to pay and perform under the Term Credit Agreement or any other Loan Document, or the risk of nonpayment or nonperformance.

SECTION 13 Notices. All notices or other communications hereunder shall be given in the manner and to the addresses specified in the Term Credit Agreement or, in the case of the Grantor other than the Borrower, at the address set forth below its signature hereto. All such notices and other communications shall be effective (i) if delivered by hand or pre-paid courier service, when delivered; (ii) if sent by mail, upon the earlier of the date of receipt or five Business Days after deposit in the mail, first class, postage prepaid; (iii) if sent by telex, upon receipt by the sender of an appropriate answerback; and (iv) if sent by facsimile transmission, when sent.

SECTION 14 No Waiver; Cumulative Remedies. No failure on the part of the Term Agent to exercise, and no delay in exercising, any right, remedy, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, remedy, power or privilege preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights and remedies under this Agreement are cumulative and not exclusive of any rights, remedies, powers and privileges that may otherwise be available to the Term Agent.

SECTION 15 Costs and Expenses; Indemnification; Other Charges. Each Grantor jointly and severally agrees to pay on demand:

(i) the reasonable out-of-pocket costs and expenses of the Term Agent and any of its Affiliates, and the Term Agent's reasonable Attorney Costs, in connection with the negotiation, preparation, execution, delivery and administration of this Agreement, and any amendments, modifications or waivers of the terms thereof, and the custody of the Collateral;

(ii) all title, appraisal (including the allocated costs of internal appraisal services), survey, audit, consulting, search, recording, filing and similar costs, fees and expenses incurred or sustained by the Term Agent or any of its Affiliates in connection with this Agreement or the Collateral; and

(iii) all costs and expenses of the Term Agent and its Affiliates, including Attorney Costs, in connection with the enforcement or attempted enforcement of, and preservation of any rights or interests under, this Agreement, including in any out-of-court workout or other refinancing or restructuring or in any bankruptcy case, and the protection, sale or collection of, or other realization upon, any of the Collateral, including all expenses of taking, collecting, holding, sorting, handling, preparing for sale, selling, or the like, and other such expenses of sales and collections of Collateral, and any and all losses, costs and expenses sustained by the Term Agent as a result of any failure by such Grantor to perform or observe its obligations contained herein.

(a) Indemnification. Each Grantor hereby jointly and severally agrees to indemnify the Term Agent, the other Lender Parties, any Affiliate of any of them, and their

respective directors, officers, employees, agents, counsel and other advisors (each an "Indemnified Person") against, and hold each of them harmless from, any and all liabilities, obligations, losses, claims, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever, including the reasonable fees and disbursements of counsel to an Indemnified Person (including allocated costs of internal counsel), which may be imposed on, incurred by, or asserted against any Indemnified Person, in any way relating to or arising out of this Agreement or the transactions contemplated hereby or any action taken or omitted to be taken by it hereunder (the "Indemnified Liabilities"); provided that the Grantors shall not be liable to any Indemnified Person for any portion of such Indemnified Liabilities to the extent they are found by a final decision of a court of competent jurisdiction to have resulted from such Indemnified Person's gross negligence or willful misconduct. If and to the extent that the foregoing indemnification is for any reason held unenforceable, each Grantor jointly and severally agrees to make the maximum contribution to the payment and satisfaction of each of the Indemnified Liabilities which is permissible under applicable law.

(b) Other Charges. Each Grantor jointly and severally agrees to indemnify the Term Agent against and hold it harmless from any and all present and future stamp, transfer, documentary and other such taxes, levies, fees, assessments and other charges made by any jurisdiction by reason of the execution, delivery, performance and enforcement of this Agreement.

(c) Interest. Any amounts payable to the Term Agent under this Section 15 or otherwise under this Agreement if not paid upon demand shall bear interest from the date of such demand until paid in full, at the rate of interest set forth in subsection 2.9 of the Term Credit Agreement, whether or not the same shall then be in effect.

SECTION 16 Binding Effect. This Agreement shall be binding upon, inure to the benefit of and be enforceable by the Grantors, the Term Agent and their respective successors and assigns.

SECTION 17 Governing Law. **THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, EXCEPT AS REQUIRED BY MANDATORY PROVISIONS OF LAW AND TO THE EXTENT THE VALIDITY OR PERFECTION OF THE SECURITY INTERESTS HEREUNDER, OR THE REMEDIES HEREUNDER, IN RESPECT OF ANY COLLATERAL ARE GOVERNED BY THE LAW OF A JURISDICTION OTHER THAN NEW YORK, PROVIDED THAT THE TERM AGENT SHALL RETAIN ALL RIGHTS ARISING UNDER FEDERAL LAW.**

SECTION 18 Forum Selection and Consent to Jurisdiction. **ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT MAY BE BROUGHT IN THE COURTS OF THE STATE OF NEW YORK OR OF THE UNITED STATES FOR THE SOUTHERN DISTRICT OF NEW YORK, AND BY EXECUTION AND DELIVERY OF THIS AGREEMENT, EACH OF THE GRANTORS AND THE TERM AGENT CONSENTS, FOR ITSELF AND IN RESPECT OF ITS PROPERTY, TO THE NON-EXCLUSIVE JURISDICTION OF THOSE COURTS. EACH OF THE GRANTORS AND THE TERM 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 DOCUMENT RELATED HERETO. THE GRANTORS AND THE TERM AGENT EACH WAIVE PERSONAL SERVICE OF ANY SUMMONS, COMPLAINT OR OTHER PROCESS, WHICH MAY BE MADE BY ANY OTHER MEANS PERMITTED BY NEW YORK LAW.

SECTION 19 Waiver of Jury Trial. THE GRANTORS AND THE TERM AGENT EACH WAIVE THEIR RESPECTIVE 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 LOAN DOCUMENTS, OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY, IN ANY ACTION, PROCEEDING OR OTHER LITIGATION OF ANY TYPE BROUGHT BY ANY OF THE PARTIES AGAINST ANY OTHER PARTY OR ANY AGENT-RELATED PERSON, PARTICIPANT OR ASSIGNEE, WHETHER WITH RESPECT TO CONTRACT CLAIMS, TORT CLAIMS, OR OTHERWISE. THE GRANTORS AND THE TERM AGENT EACH AGREE THAT ANY SUCH CLAIM OR CAUSE OF ACTION SHALL BE TRIED BY A COURT TRIAL WITHOUT A JURY. WITHOUT LIMITING THE FOREGOING, THE PARTIES FURTHER AGREE THAT THEIR RESPECTIVE 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 LOAN DOCUMENTS OR ANY PROVISION HEREOF OR THEREOF. THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS.

SECTION 20 Entire Agreement; Amendment. This Agreement contains the entire agreement of the parties with respect to the subject matter hereof and shall not be amended except by the written agreement of the parties as provided in the Term Credit Agreement.

SECTION 21 Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under all applicable laws and regulations. If, however, any provision of this Agreement shall be prohibited by or invalid under any such law or regulation in any jurisdiction, it shall, as to such jurisdiction, be deemed modified to conform to the minimum requirements of such law or regulation, or, if for any reason it is not deemed so modified, it shall be ineffective and invalid only to the extent of such prohibition or invalidity without affecting the remaining provisions of this Agreement, or the validity or effectiveness of such provision in any other jurisdiction.

SECTION 22 Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute but one and the same agreement.

SECTION 23 Incorporation of Provisions of the Term Credit Agreement. To the extent the Term Credit Agreement contains provisions of general applicability to the Loan Documents, including any such provisions contained in Article XII thereof, such provisions are incorporated herein by this reference, whether or not the same shall then remain in effect.

SECTION 24 No Inconsistent Requirements. Each Grantor acknowledges that this Agreement and the other Loan Documents may contain covenants and other terms and provisions variously stated regarding the same or similar matters, and agrees that all such covenants, terms and provisions are cumulative and all shall be performed and satisfied in accordance with their respective terms.

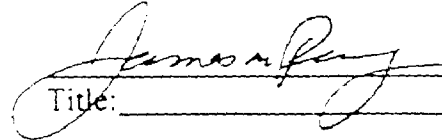
SECTION 25 Termination. Upon termination of the Commitments of the Lenders under the Loan Documents, the surrender of any Letters of Credit issued by any Issuing Lender for the account of the Borrower, termination of all Specified Swap Contracts, and payment and performance in full of all Secured Obligations, the security interests granted under this Agreement shall terminate and the Term Agent shall promptly execute and deliver to the Grantors such documents and instruments reasonably requested by the Grantors as shall be necessary to evidence termination of all security interests given by the Grantors to the Term Agent hereunder; provided, however, that the obligations of the Grantors under Section 15 shall survive such termination.

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

THE GRANTOR

FAME INFORMATION SERVICES, INC.

By:


Title: _____

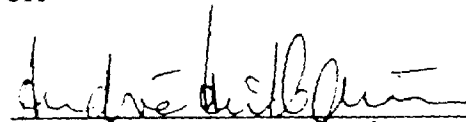
Address:

888 7th Avenue
12th Floor
New York, New York 10106
Facsimile No.: (212) 977-7144
Attention: James M. Perry

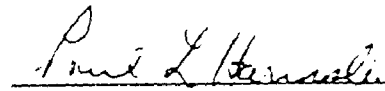
THE TERM AGENT

DEUTSCHE BANK AG, NEW YORK
BRANCH

By


Title: Andre Heitbaum
Asst. Vice President

By:


Title: Managing Director

SECURITY AGREEMENT

SCHEDULE 1

FAME INFORMATION SERVICES, INC. & SUBSIDIARIES

1). Location of Chief Executive Office and Other Locations, Including of Collateral

(a) 888 SEVENTH AVENUE, 12TH FLOOR, NEW YORK, NEW YORK 10106

(b) 325 E. EISENHOWER PARKWAY, 3RD FLOOR, ANN ARBOR, MICHIGAN 48108

345 EISENHOWER PARKWAY, EISENHOWER PLAZA 1, 2ND FLOOR, LIVINGSTON, NJ 07039

353 KEARNY STREET, 5TH FLOOR, SAN FRANCISCO, CALIFORNIA 94108

101 FEDERAL STREET, BOSTON, MA 02110

TEN POST OFFICE SQUARE, SUITE 600 SOUTH, BOSTON MA 02109

PRINCESS HOUSE, 95 GRESHAM STREET, 4TH FLOOR, LONDON, ENGLAND EC2V 7LU

7 FERRIN'S COURT, HEATH STREET, HAMPSTEAD, LONDON

144 FRONT STREET WEST, SUITE 600, TORONTO, ONT, CANADA M5J 2L7

WESTENDSTRASSE 19, 60325, FRANKFURT AM MAIN, GERMANY

CENTRAL BUILDING, SUITE 1133, ONE PEDDER STREET, CENTRAL, HONG KONG

2). Locations of Books Pertaining to Rights to Payment

325 E. EISENHOWER PARKWAY, 3RD FLOOR, ANN ARBOR, MICHIGAN 48108
(THROUGH 7/31/98)

888 SEVENTH AVENUE, 12TH FLOOR, NEW YORK, NEW YORK 10106
(AFTER 7/31/98)

144 FRONT STREET WEST, SUITE 600, TORONTO, ONT, CANADA M5J 2L7

3). Trade Names and Trade Styles; Other Corporate, Trade or Fictitious Names, Etc.

✓FAME

FAME/FRDB

FAME/WEBFACTORY

FAME/CHILI

FAME/4GL

FAME/OLE

FAME/RELATIONAL GATEWAY(FRG)

FAME DATAFACTORY

FAME/SITESERVER

✓FAME/TIME IQ

FAME INVESTOR FOR WINDOWS

FAME INVESTOR FOR EXCEL

FAME API

SECURITY AGREEMENT

SCHEDULE 1

FAME INFORMATION SERVICES, INC. & SUBSIDIARIES

4). Inventory Stored with Warehousemen or on Leased Premises, Etc.

325 E. EISENHOWER PARKWAY, 3RD FLOOR, ANN ARBOR, MICHIGAN 48108

5). Patents, Copyrights, Trademarks, Etc.

<u>COPYRIGHT</u>	<u>APPLIED</u>	<u>TRADEMARK</u>
FAME	June 3, 1998	FAME/TIME IQ
FAME/FRDB	June 3, 1998	(Application #75/263,999)
FAME/WEBFACTORY	June 3, 1998	
FAME/CHILI	June 3, 1998	
FAME/4GL	June 3, 1998	
FAME/OLE	June 3, 1998	
FAME/RELATIONAL GATEWAY(FRG)	June 3, 1998	
FAME DATAFACTORY	June 3, 1998	
FAME/SITESERVER	June 3, 1998	
FAME INVESTOR FOR WINDOWS	June 3, 1998	
FAME INVESTOR FOR EXCEL	June 3, 1998	
FAME API	June 3, 1998	

6). Leased Equipment

COMPUTER HARDWARE(see attached detail schedules+D20)

7). Deposit Accounts

a). FAME INFORMATION SERVICES, INC.

FIRST OF AMERICA	OPERATING	05-3004918-8
	INVESTMENT	05-3004924-6
	SELF-INSURANCE	05-3007845-0
	PAYROLL	05-3004917-0

FLEET BANK	INSURANCE	005-048-4342
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b). BENTON ASSOCIATES

BANK OF MONTREAL	CANADIAN ACCOUNT	OPERATING	1024-832
		SAVINGS	8036-449
		MONEY MARKET	8559006

	US ACCOUNT	OPERATING	4510-832
		GIC	9301-034
		T-BILL	

NESBITT BURNS	CANADIAN ACCOUNT	TREASURY BILL	365-111304
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SECURITY AGREEMENT

SCHEDULE 1

FAME INFORMATION SERVICES, INC. & SUBSIDIARIES

C). FAME INFORMATION SERVICES LIMITED

BANK OF SCOTLAND	POUND ACCOUNT	OPERATING	313313
		OPERATING	313313
		INVESTMENT	1442224
	US ACCOUNT	OPERATING	55826USD01