

05-15-2002



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5-15-02

102089743

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

1. Name of conveying party(ies):

BUSH INDUSTRIES, INC.

- Individual(s) Association
- General Partnership Limited Partnership
- Corporation-State (DE)
- Other _____

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

3. Nature of conveyance:

- Assignment Merger
- Security Agreement Change of Name
- Other _____

Execution Date: December 28, 2001

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

Name: JPMorgan Chase Bank, as Administrative Agent

Internal Address: _____

Street Address: P.O. Box 2558

City: Houston State: TX ZIP: 77252

- Individual(s) citizenship _____
- Association _____
- General Partnership _____
- Limited Partnership _____
- Corporation-State _____
- Other New York banking corporation

If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No
(Designations must be a separate document from Assignment)
Additional name(s) & address(es) attached? Yes No

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

A. Trademark Application No.(s) **See Attached Continuation of Item 4**

B. Trademark Registration No.(s) **See Attached Continuation of Item 4**

Additional numbers attached? Yes No

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

Name: Robyn Rahbar

Internal Address: Simpson Thacher & Bartlett

Street Address: 425 Lexington Avenue

City: New York State: NY ZIP: 10017

6. Total number of applications and registrations involved: 30

7. Total fee (37 CFR 3.41): \$ 765.00

- Enclosed
- Authorized to be charged to credit card

8. Deposit account number:

DO NOT USE THIS SPACE

9. Signature.

Robyn Rahbar
Name of Person Signing

Robyn Rahbar
Signature

5/13/02
Date

Total number of pages including cover sheet, attachments, and documents: 50

05/16/2002 6TON11 00000066 75844171

01 FC:481
02 FC:482

40.00 OP
725.00 OP

Mail documents to be recorded with required cover sheet information to:
Commissioner of Patents and Trademarks, Box Assignments
Washington, D.C. 20231

TRADEMARK
REEL: 002505 FRAME: 0452

CONTINUATION OF ITEM FOUR ON RECORDATION COVER SHEET

APPLICATION NO.	APPLICATION NO.
75/844,171	75/536,356
75/834,814	75/834,816
75/832,695	76/161,123
75/834,815	75/832,696

REGISTRATION NO.	REGISTRATION NO.
1,599,025	1,314,660
1,082,564	2,283,730
1,314,659	2,235,159
2,237,545	2,235,133
2,237,571	2,304,713
2,304,712	2,279,852
2,521,594	1,745,208
2,502,401	2,005,189
2,303,272	1,585,709
2,235,313	2,057,799
2,501,773	2,076,212

COLLATERAL AGREEMENT

made by

BUSH INDUSTRIES, INC.

and certain of its Subsidiaries

in favor of

JPMORGAN CHASE BANK,

as Administrative Agent

Dated as of December 28, 2001

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COLLATERAL AGREEMENT

COLLATERAL AGREEMENT, dated as of December 28, 2001, made by each of the signatories hereto (together with any other entity that may become a party hereto as provided herein, the "Grantors"), in favor of JPMORGAN CHASE BANK, as Administrative Agent (in such capacity, the "Administrative Agent") for the banks and other financial institutions or entities (the "Lenders") from time to time parties to the Credit and Guarantee Agreement, dated as of June 26, 1997 (as amended, supplemented or otherwise modified from time to time, the "Credit and Guarantee Agreement"), among BUSH INDUSTRIES, INC. (the "Company"), each FOREIGN SUBSIDIARY BORROWER (as defined therein) (together with the Company, the "Borrowers"), the Lenders and the Administrative Agent.

W I T N E S S E T H:

WHEREAS, pursuant to the Credit and Guarantee Agreement and the other Loan Documents, the Lenders have severally agreed to make certain Extensions of Credit (as defined in the Credit and Guarantee Agreement) to or for the benefit of the Borrowers upon the terms and subject to the conditions set forth therein;

WHEREAS, the Borrowers are members of an affiliated group of companies that includes each other Grantor;

WHEREAS, the proceeds of the Extensions of Credit will be used in part to enable the Company to make valuable transfers (as determined as provided herein) to some of the other Grantors in connection with the operation of their respective businesses;

WHEREAS, the Borrowers and the other Grantors are engaged in related businesses, and each Grantor will derive substantial direct and indirect benefit from the making of the Extensions of Credit; and

WHEREAS, it is a condition precedent to the effectiveness of the Sixth Amendment to the Credit and Guarantee Agreement that the Grantors shall have executed and delivered this Agreement to the Administrative Agent for the ratable benefit of the Lenders;

NOW, THEREFORE, in consideration of the premises and mutual covenants herein contained, each Grantor hereby agrees with the Administrative Agent, for the ratable benefit of the Lenders, as follows:

SECTION 1. DEFINED TERMS

1.1 **Definitions.** (a) Unless otherwise defined herein, terms defined in the Credit and Guarantee Agreement and used herein shall have the meanings given to them in the Credit and Guarantee Agreement, and the following terms are used herein as defined in the New York UCC: Accounts, Certificated Security, Chattel Paper, Documents, Equipment, Farm Products, General Intangibles, Instruments, Inventory, Letter-of-Credit Rights and Supporting Obligations.

(b) The following terms shall have the following meanings:

"Agreement": this Collateral Agreement, as the same may be amended, supplemented or otherwise modified from time to time.

"Borrower Obligations": the collective reference to the unpaid principal of and interest on the Loans and Reimbursement Obligations and all other obligations and liabilities of any Borrower (including, without limitation, interest accruing at the then applicable rate provided in the Credit and Guarantee Agreement after the maturity of the Loans and Reimbursement Obligations and interest accruing at the then applicable rate provided in the Credit and Guarantee Agreement after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to any Borrower, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding) to the Administrative Agent or any Lender (or, in the case of any Lender Hedging Agreement, any Affiliate of any Lender), whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, which may arise under, out of, or in connection with, the Credit and Guarantee Agreement, this Agreement, the other Loan Documents, any Letter of Credit, any Lender Hedging Agreement or any other document made, delivered or given in connection with any of the foregoing, in each case whether on account of principal, interest, reimbursement obligations, fees, indemnities, costs, expenses or otherwise (including, without limitation, all fees and disbursements of counsel to the Administrative Agent or to the Lenders that are required to be paid by any Borrower pursuant to the terms of any of the foregoing agreements).

"Collateral": as defined in Section 3.

"Collateral Account": any collateral account established by the Administrative Agent as provided in Section 6.1 or 6.4.

"Copyrights": (i) all copyrights arising under the laws of the United States, any other country or any political subdivision thereof, whether registered or unregistered and whether published or unpublished (including, without limitation, those listed in Schedule 6), all registrations and recordings thereof, and all applications in connection therewith, including, without limitation, all registrations, recordings and applications in the United States Copyright Office, and (ii) the right to obtain all renewals thereof.

"Copyright Licenses": any written agreement naming any Grantor as licensor or licensee (including, without limitation, those listed in Schedule 6), granting any right under any Copyright, including, without limitation, the grant of rights to manufacture, distribute, exploit and sell materials derived from any Copyright.

"Deposit Account": as defined in the Uniform Commercial Code of any applicable jurisdiction and, in any event, including, without limitation, any demand, time, savings, passbook or like account maintained with a depository institution.

"Guarantor Obligations": with respect to any Guarantor, all obligations and liabilities of such Guarantor which may arise under or in connection with this Agreement, the Domestic Subsidiary Guarantee or any other Loan Document to which such Guarantor is a party, in each case whether on account of guarantee obligations, reimbursement obligations, fees, indemnities, costs, expenses or otherwise (including, without limitation, all fees and disbursements of counsel to the Administrative Agent or to the Lenders that are required to be paid by such Guarantor pursuant to the terms of this Agreement, the Domestic Subsidiary Guarantee or any other Loan Document).

"Guarantors": the collective reference to each Grantor other than the Company.

"Intellectual Property": the collective reference to all rights, priorities and privileges relating to intellectual property, whether arising under United States, multinational or foreign laws or otherwise, including, without limitation, the Copyrights, the Copyright Licenses, the Patents, the Patent

Licenses, the Trademarks and the Trademark Licenses, and all rights to sue at law or in equity for any infringement or other impairment thereof, including the right to receive all proceeds and damages therefrom.

“Intercompany Note”: any promissory note evidencing loans made by any Grantor to the Company or any of its Subsidiaries.

“Investment Property”: the collective reference to (i) all “investment property” as such term is defined in Section 9-102(a)(49) of the New York UCC (other than (x) the Capital Stock of any Subsidiaries of the Company, (y) publicly-traded securities with a market valuation in the aggregate not exceeding \$50,000 and (z) the Capital Stock of National Product Services, Inc.) and (ii) whether or not constituting “investment property” as so defined, all Pledged Notes.

“Issuers”: the collective reference to each issuer of any Investment Property.

“Lender Hedging Agreements”: all Hedging Agreements entered into by any Borrower with any Lender (or any Affiliate of any Lender).

“New York UCC”: the Uniform Commercial Code as from time to time in effect in the State of New York.

“Obligations”: (i) in the case of the Borrowers, the Borrower Obligations, and (ii) in the case of each Guarantor, its Guarantor Obligations.

“Patents”: (i) all letters patent of the United States, any other country or any political subdivision thereof, all reissues and extensions thereof and all goodwill associated therewith, including, without limitation, any of the foregoing referred to in Schedule 6, (ii) all applications for letters patent of the United States or any other country and all divisions, continuations and continuations-in-part thereof, including, without limitation, any of the foregoing referred to in Schedule 6, and (iii) all rights to obtain any reissues or extensions of the foregoing.

“Patent License”: all agreements, whether written or oral, providing for the grant by or to any Grantor of any right to manufacture, use or sell any invention covered in whole or in part by a Patent, including, without limitation, any of the foregoing referred to in Schedule 6.

“Pledged Notes”: all promissory notes listed on Schedule 2, all Intercompany Notes at any time issued to any Grantor and all other promissory notes issued to or held by any Grantor (other than promissory notes issued in connection with extensions of trade credit by any Grantor in the ordinary course of business).

“Proceeds”: all “proceeds” as such term is defined in Section 9-102(a)(64) of the New York UCC and, in any event, shall include, without limitation, all dividends or other income from the Investment Property, collections thereon or distributions or payments with respect thereto.

“Receivable”: any right to payment for goods sold or leased or for services rendered, whether or not such right is evidenced by an Instrument or Chattel Paper and whether or not it has been earned by performance (including, without limitation, any Account).

“Receivables Collateral”: Receivables which constitute Collateral.

“Trademarks”: (i) all trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, logos and other source or business identifiers, and all goodwill associated therewith, now existing or hereafter adopted or acquired, all registrations and recordings thereof, and all applications in connection therewith, whether in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof or any other country or any political subdivision thereof, or otherwise, and all common-law rights related thereto, including, without limitation, any of the foregoing referred to in Schedule 6, and (ii) the right to obtain all renewals thereof.

“Trademark License”: any agreement, whether written or oral, providing for the grant by or to any Grantor of any right to use any Trademark, including, without limitation, any of the foregoing referred to in Schedule 6.

“Transferred Receivables”: Receivables (including, without limitation, Documents and Instruments and Proceeds thereof) that are sold, contributed or otherwise transferred in connection with a Qualified Receivables Transaction entered into in accordance with the Credit and Guarantee Agreement.

“Vehicles”: all cars, trucks, trailers, construction and earth moving equipment and other vehicles covered by a certificate of title law of any state.

1.2 **Other Definitional Provisions.** (a) The words “hereof,” “herein,” “hereto” and “hereunder” and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and Section and Schedule references are to this Agreement unless otherwise specified.

(b) The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms.

(c) Where the context requires, terms relating to the Collateral or any part thereof, when used in relation to a Grantor, shall refer to such Grantor’s Collateral or the relevant part thereof.

SECTION 2. [INTENTIONALLY OMITTED]

SECTION 3. GRANT OF SECURITY INTEREST

Each Grantor hereby assigns and transfers to the Administrative Agent, and hereby grants to the Administrative Agent, for the ratable benefit of the Lenders, a security interest in, all of the following property now owned or at any time hereafter acquired by such Grantor or in which such Grantor now has or at any time in the future may acquire any right, title or interest (collectively, the **“Collateral”**), as collateral security for the prompt and complete payment and performance when due (whether at the stated maturity, by acceleration or otherwise) of such Grantor’s Obligations,:

- (a) all Accounts;
- (b) all Chattel Paper;
- (c) all Deposit Accounts;
- (d) all Documents (other than title documents with respect to Vehicles);

- (e) all Equipment;
- (f) all General Intangibles;
- (g) all Instruments;
- (h) all Intellectual Property;
- (i) all Inventory;
- (j) all Investment Property;
- (k) all Letter-of-Credit Rights;
- (l) all other personal property not otherwise described or excluded above;
- (m) all books and records pertaining to the Collateral; and

(n) to the extent not otherwise included, all Proceeds, Supporting Obligations and products of any and all of the foregoing and all collateral security and guarantees given by any Person with respect to any of the foregoing;

provided, however, that notwithstanding any of the other provisions set forth in this Section 3, this Agreement shall not constitute a grant of a security interest in (i) any property to the extent that such grant of a security interest is prohibited by any Requirements of Law of a Governmental Authority, requires a consent not obtained of any Governmental Authority pursuant to such Requirement of Law or is prohibited by, or constitutes a breach or default under or results in the termination of or requires any consent not obtained under, any contract, license, agreement, instrument or other document evidencing or giving rise to such property or, in the case of any Investment Property or Pledged Note, any applicable shareholder or similar agreement, except to the extent that such Requirement of Law or the term in such contract, license, agreement, instrument or other document or shareholder or similar agreement providing for such prohibition, breach, default or termination or requiring such consent is ineffective under applicable law, or (ii) Transferred Receivables and (A) security interests or liens and property subject thereto purporting to secure payment of such Transferred Receivables, (B) guarantees, insurance and other arrangements supporting payment of such Transferred Receivables, (C) rights to payment and collections in respect of such Transferred Receivables, (D) books, records and similar information relating to such Transferred Receivables or the obligors thereon and (E) with respect to any such Transferred Receivables, the transferee's interest in goods the sale of which gave rise to such Transferred Receivables.

SECTION 4. REPRESENTATIONS AND WARRANTIES

To induce the Lenders to make their respective Extensions of Credit to the Borrowers, each Grantor hereby represents and warrants to the Administrative Agent and each Lender that:

4.1 Title; No Other Liens. Except for the security interest granted to the Administrative Agent for the ratable benefit of the Lenders pursuant to this Agreement and the other Liens permitted to exist on the Collateral by the Credit and Guarantee Agreement, such Grantor owns each item of the Collateral free and clear of any and all Liens or claims of others. No financing statement or other public notice with respect to all or any part of the Collateral is on file or of record in any public office, except such as have been filed in favor of the Administrative Agent, for the ratable benefit of the Lenders,

pursuant to this Agreement or as are permitted by the Credit and Guarantee Agreement. For the avoidance of doubt, it is understood and agreed that any Grantor may, as part of its business, grant licenses to third parties to use Intellectual Property owned or developed by a Grantor. For purposes of this Agreement and the other Loan Documents, such licensing activity shall not constitute a "Lien" on such Intellectual Property. Each of the Administrative Agent and each Lender understands that any such licenses may be exclusive to the applicable licensees, and such exclusivity provisions may limit the ability of the Administrative Agent to utilize, sell, Lease or transfer the related Intellectual Property or otherwise realize value from such Intellectual Property pursuant hereto.

4.2 Perfected First Priority Liens. The security interests granted pursuant to this Agreement (a) upon completion of the filings and other actions specified on Schedule 3 (which, in the case of all filings and other documents referred to on said Schedule, have been delivered to the Administrative Agent in completed and duly executed form) will constitute valid perfected security interests in all of the Collateral in favor of the Administrative Agent, for the ratable benefit of the Lenders, as collateral security for such Grantor's Obligations, enforceable in accordance with the terms hereof against all creditors of such Grantor and any Persons purporting to purchase any Collateral from such Grantor and (b) are prior to all other Liens on the Collateral in existence on the date hereof except for Liens permitted by the Credit and Guarantee Agreement which have priority over the Liens on the Collateral by operation of law.

4.3 Jurisdiction of Organization; Chief Executive Office. On the date hereof, such Grantor's jurisdiction of organization, identification number from the jurisdiction of organization (if any), and the location of such Grantor's chief executive office or sole place of business or principal residence, as the case may be, are specified on Schedule 4. Such Grantor has furnished to the Administrative Agent a good standing certificate as of a date which is recent to the date hereof.

4.4 Inventory and Equipment. On the date hereof, the Inventory and the Equipment (other than mobile goods) are kept at the locations listed on Schedule 5.

4.5 Farm Products. None of the Collateral constitutes, or is the Proceeds of, Farm Products.

4.6 Investment Property. (a) To the applicable Grantor's knowledge, each of the Pledged Notes constitutes the legal, valid and binding obligation of the obligor with respect thereto, enforceable in accordance with its terms, subject to the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally, general equitable principles (whether considered in a proceeding in equity or at law) and an implied covenant of good faith and fair dealing.

(b) Such Grantor is the record and beneficial owner of, and has good and marketable title to, the Investment Property pledged by it hereunder, free of any and all Liens or options in favor of, or claims of, any other Person, except the security interest created by this Agreement.

4.7 Receivables. (a) No amount payable to such Grantor under or in connection with any Receivables Collateral is evidenced by any Instrument or Chattel Paper which has not been delivered to the Administrative Agent.

(b) None of the obligors on any material amount of Receivables Collateral is a Governmental Authority.

(c) The amounts represented by such Grantor to the Lenders from time to time as owing to such Grantor in respect of the Receivables will at such times be substantially accurate.

4.8 **Intellectual Property.** (a) Schedule 6 lists all Intellectual Property owned by such Grantor in its own name on the date hereof.

(b) On the date hereof, all material Intellectual Property is valid, subsisting, unexpired and enforceable, has not been abandoned and does not, to such Grantor's knowledge, infringe the intellectual property rights of any other Person.

(c) Except as set forth in Schedule 6, on the date hereof, none of the Intellectual Property is the subject of any licensing or franchise agreement pursuant to which such Grantor is the licensor or franchisor.

(d) No holding, decision or judgment has been rendered by any Governmental Authority which would limit, cancel or question the validity of, or such Grantor's rights in, any Intellectual Property in any respect that could reasonably be expected to have a Material Adverse Effect.

(e) No action or proceeding is pending, or, to the knowledge of such Grantor, threatened, on the date hereof (i) seeking to limit, cancel or question the validity of any material Intellectual Property or such Grantor's ownership interest therein, or (ii) which, if adversely determined, would have a material adverse effect on the value of any material Intellectual Property.

SECTION 5. COVENANTS

Each Grantor covenants and agrees with the Administrative Agent and the Lenders that, from and after the date of this Agreement until the Obligations shall have been paid in full, no Letter of Credit shall be outstanding and the Revolving Credit Commitments shall have terminated:

5.1 **Delivery of Instruments, Certificated Securities and Chattel Paper.** If any amount payable under or in connection with any of the Collateral shall be or become evidenced by any Instrument, Certificated Security or Chattel Paper, such Instrument, Certificated Security or Chattel Paper shall be immediately delivered to the Administrative Agent, duly indorsed in a manner satisfactory to the Administrative Agent, to be held as Collateral pursuant to this Agreement.

5.2 **Maintenance of Insurance.** (a) Such Grantor will maintain, with financially sound and reputable companies, insurance policies (i) insuring the Inventory and Equipment against loss by fire, explosion, theft and such other casualties as may be reasonably satisfactory to the Administrative Agent and (ii) insuring such Grantor, the Administrative Agent and the Lenders against liability for personal injury and property damage relating to such Inventory and Equipment, such policies to be in such form and amounts and having such coverage as may be reasonably satisfactory to the Administrative Agent and the Lenders.

(b) All such insurance shall (i) provide that no cancellation, material reduction in amount or material change in coverage thereof shall be effective until at least 30 days after receipt by the Administrative Agent of written notice thereof, (ii) name the Administrative Agent as insured party or loss payee, (iii) if reasonably requested by the Administrative Agent, include a breach of warranty clause and (iv) be reasonably satisfactory in all other respects to the Administrative Agent.

(c) The Company shall deliver to the Administrative Agent and the Lenders a report of a reputable insurance broker with respect to such insurance substantially concurrently with each delivery of the Company's audited annual financial statements and such supplemental reports with respect thereto as the Administrative Agent may from time to time reasonably request.

5.3 Payment of Obligations. Such Grantor will pay and discharge or otherwise satisfy at or before maturity or before they become delinquent, as the case may be, all taxes, assessments and governmental charges or levies imposed upon the Collateral or in respect of income or profits therefrom, as well as all claims of any kind (including, without limitation, claims for labor, materials and supplies) against or with respect to the Collateral, except that no such charge need be paid if the amount or validity thereof is currently being contested in good faith by appropriate proceedings, reserves in conformity with GAAP with respect thereto have been provided on the books of such Grantor and such proceedings could not reasonably be expected to result in the sale, forfeiture or loss of any material portion of the Collateral or any interest therein.

5.4 Maintenance of Perfected Security Interest; Further Documentation. (a) Such Grantor shall maintain the security interest created by this Agreement as a perfected security interest having at least the priority described in Section 4.2 and shall defend such security interest against the claims and demands of all Persons whomsoever, subject to the rights of such Grantor under the Loan Documents to dispose of the Collateral.

(b) Such Grantor will furnish to the Administrative Agent and the Lenders from time to time statements and schedules further identifying and describing the assets and property of such Grantor and such other reports in connection therewith as the Administrative Agent may reasonably request, all in reasonable detail.

(c) At any time and from time to time, upon the written request of the Administrative Agent, and at the sole expense of such Grantor, such Grantor will promptly and duly execute and deliver, and have recorded, such further instruments and documents and take such further actions as the Administrative Agent may reasonably request for the purpose of obtaining or preserving the full benefits of this Agreement and of the rights and powers herein granted, including, without limitation, (i) filing any financing or continuation statements under the Uniform Commercial Code (or other similar laws) in effect in any jurisdiction with respect to the security interests created hereby and (ii) in the case of Investment Property, Deposit Accounts, Letter-of-Credit Rights and any other relevant Collateral, taking any actions necessary to enable the Administrative Agent to obtain "control" (within the meaning of the applicable Uniform Commercial Code) with respect thereto.

5.5 Changes in Locations, Name, etc. Such Grantor will not, except upon 15 days' prior written notice to the Administrative Agent and delivery to the Administrative Agent of (a) all additional financing statements and other documents reasonably requested by the Administrative Agent to maintain the validity, perfection and priority of the security interests provided for herein and (b) if applicable, a written supplement to Schedule 5 showing any additional location at which Inventory or Equipment shall be kept:

(i) change its jurisdiction of organization or the location of its chief executive office or sole place of business or principal residence from that referred to in Section 4.3; or

(ii) change its name.

5.6 Notices. Such Grantor will advise the Administrative Agent and the Lenders promptly, in reasonable detail, of:

(a) any Lien (other than security interests created hereby or Liens permitted under the Credit and Guarantee Agreement) on any of the Collateral which would adversely affect the ability of the Administrative Agent to exercise any of its remedies hereunder; and

(b) of the occurrence of any other event which could reasonably be expected to have a material adverse effect on the aggregate value of the Collateral or on the security interests created hereby.

5.7 **Investment Property.** (a) Any sums paid upon or in respect of the Investment Property upon the liquidation or dissolution of any Issuer shall be paid over to the Administrative Agent to be held by it hereunder as additional collateral security for the Obligations, and in case any distribution of capital shall be made on or in respect of the Investment Property or any property shall be distributed upon or with respect to the Investment Property pursuant to the recapitalization or reclassification of the capital of any Issuer or pursuant to the reorganization thereof, the property so distributed shall, unless otherwise subject to a perfected security interest in favor of the Administrative Agent, be delivered to the Administrative Agent to be held by it hereunder as additional collateral security for the Obligations. If any sums of money or property so paid or distributed in respect of the Investment Property shall be received by such Grantor, such Grantor shall, until such money or property is paid or delivered to the Administrative Agent, hold such money or property in trust for the Administrative Agent and the Lenders, segregated from other funds of such Grantor, as additional collateral security for the Obligations.

(b) Without the prior written consent of the Administrative Agent, such Grantor will not (i) sell, assign, transfer, exchange, or otherwise dispose of, or grant any option with respect to, the Investment Property or Proceeds thereof (except pursuant to a transaction expressly permitted by the Credit and Guarantee Agreement), (ii) create, incur or permit to exist any Lien or option in favor of, or any claim of any Person with respect to, any of the Investment Property or Proceeds thereof, or any interest therein, except for the security interests created by this Agreement or (iii) enter into any agreement or undertaking restricting the right or ability of such Grantor or the Administrative Agent to sell, assign or transfer any of the Investment Property or Proceeds thereof.

(c) In the case of each Grantor which is an Issuer, such Issuer agrees that (i) it will be bound by the terms of this Agreement relating to the Investment Property issued by it and will comply with such terms insofar as such terms are applicable to it, (ii) it will notify the Administrative Agent promptly in writing of the occurrence of any of the events described in Section 5.7(a) with respect to the Investment Property issued by it and (iii) the terms of Sections 6.3(c) and 6.7 shall apply to it, mutatis mutandis, with respect to all actions that may be required of it pursuant to Section 6.3(c) or 6.7 with respect to the Investment Property issued by it.

5.8 **Receivables.** (a) Other than in the ordinary course of business consistent with its past practice, such Grantor will not (i) grant any extension of the time of payment of any Receivables Collateral, (ii) compromise or settle any Receivables Collateral for less than the full amount thereof, (iii) release, wholly or partially, any Person liable for the payment of any Receivables Collateral, (iv) allow any credit or discount whatsoever on any Receivable or (v) amend, supplement or modify any Receivables Collateral in any manner that could adversely affect the value thereof.

(b) Such Grantor will deliver to the Administrative Agent a copy of each material demand, notice or document received by it that questions or calls into doubt the validity or enforceability of more than 5% of the aggregate amount of the then outstanding Receivables Collateral.

5.9 **Intellectual Property.** (a) Such Grantor (either itself or through licensees) will (i) continue to use each material Trademark on each and every trademark class of goods applicable to its current line as reflected in its current catalogs, brochures and price lists in order to maintain such Trademark in full force free from any claim of abandonment for non-use, (ii) maintain as in the past the quality of products and services offered under such Trademark, (iii) use such Trademark with the appropriate notice of registration and all other notices and legends required by applicable Requirements of Law, (iv) not adopt or use any mark which is confusingly similar or a colorable imitation of such

Trademark unless the Administrative Agent, for the ratable benefit of the Lenders, shall obtain a perfected security interest in such mark pursuant to this Agreement, and (v) not (and not permit any licensee or sublicensee thereof to) do any act or knowingly omit to do any act whereby such Trademark may become invalidated or impaired in any way.

(b) Such Grantor (either itself or through licensees) will not do any act, or omit to do any act, whereby any material Patent may become forfeited, abandoned or dedicated to the public.

(c) Such Grantor (either itself or through licensees) (i) will employ each material Copyright and (ii) will not (and will not permit any licensee or sublicensee thereof to) do any act or knowingly omit to do any act whereby any material portion of such Copyrights may become invalidated or otherwise impaired. Such Grantor will not (either itself or through licensees) do any act whereby any material portion of such Copyrights may fall into the public domain.

(d) Such Grantor (either itself or through licensees) will not do any act that knowingly uses any material Intellectual Property to infringe the intellectual property rights of any other Person.

(e) Such Grantor will notify the Administrative Agent and the Lenders immediately if it knows, or has reason to know, that any application or registration relating to any material Intellectual Property may become forfeited, abandoned or dedicated to the public, or of any adverse determination or development (including, without limitation, 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 or tribunal in any country) regarding such Grantor's ownership of, or the validity of, any material Intellectual Property or such Grantor's right to register the same or to own and maintain the same.

(f) Upon request of the Administrative Agent, such Grantor shall execute and deliver, and have recorded, any and all agreements, instruments, documents, and papers as the Administrative Agent may request to evidence the Administrative Agent's and the Lenders' security interest in any Copyright, Patent or Trademark and the goodwill and general intangibles of such Grantor relating thereto or represented thereby.

(g) Such Grantor will take all reasonable and necessary steps, including, without limitation, in any proceeding before the United States Patent and Trademark Office, the United States Copyright Office or any similar office or agency in any other country or any political subdivision thereof, to maintain and pursue each application (and to obtain the relevant registration) and to maintain each registration of the material Intellectual Property, including, without limitation, filing of applications for renewal, affidavits of use and affidavits of incontestability.

(h) In the event that any material Intellectual Property is infringed, misappropriated or diluted by a third party, such Grantor shall (i) take such actions as such Grantor shall reasonably deem appropriate under the circumstances to protect such Intellectual Property and (ii) if such Intellectual Property is of material economic value, promptly notify the Administrative Agent after it learns thereof and, if such is deemed necessary by such Grantor, sue for infringement, misappropriation or dilution, to seek injunctive relief where appropriate and to recover any and all damages for such infringement, misappropriation or dilution.

SECTION 6. REMEDIAL PROVISIONS

6.1 Certain Matters Relating to Receivables. (a) The Administrative Agent shall have the right to make test verifications of the Receivables in any manner and through any medium that it

reasonably considers advisable, and each Grantor shall furnish all such assistance and information as the Administrative Agent may require in connection with such test verifications. At any time and from time to time, upon the Administrative Agent's request and at the expense of the relevant Grantor, such Grantor shall cause independent public accountants or others satisfactory to the Administrative Agent to furnish to the Administrative Agent reports showing reconciliations, aging and test verifications of, and trial balances for, the Receivables.

(b) The Administrative Agent hereby authorizes each Grantor to collect such Grantor's Receivables Collateral, subject to the Administrative Agent's direction and control, and the Administrative Agent may curtail or terminate said authority at any time after the occurrence and during the continuance of an Event of Default. If required by the Administrative Agent at any time after the occurrence and during the continuance of an Event of Default, any payments of Receivables Collateral, when collected by any Grantor, (i) shall be forthwith (and, in any event, within two Business Days) deposited by such Grantor in the exact form received, duly indorsed by such Grantor to the Administrative Agent if required, in a Collateral Account maintained under the sole dominion and control of the Administrative Agent, subject to withdrawal by the Administrative Agent for the account of the Lenders only as provided in Section 6.5, and (ii) until so turned over, shall be held by such Grantor in trust for the Administrative Agent and the Lenders, segregated from other funds of such Grantor. Each such deposit of Proceeds of Receivables Collateral shall be accompanied by a report identifying in reasonable detail the nature and source of the payments included in the deposit.

(c) At the Administrative Agent's request, each Grantor shall deliver to the Administrative Agent all original and other documents evidencing, and relating to, the agreements and transactions which gave rise to the Receivables, including, without limitation, all original orders, invoices and shipping receipts.

6.2 Communications with Obligors; Grantors Remain Liable. (a) The Administrative Agent in its own name or in the name of others may at any time communicate with obligors under the Receivables Collateral to verify with them to the Administrative Agent's satisfaction the existence, amount and terms of any Receivables Collateral.

(b) Upon the request of the Administrative Agent at any time after the occurrence and during the continuance of an Event of Default, each Grantor shall notify obligors on the Receivables Collateral that the Receivables Collateral has been assigned to the Administrative Agent for the ratable benefit of the Lenders and that payments in respect thereof shall be made directly to the Administrative Agent.

(c) Anything herein to the contrary notwithstanding, each Grantor shall remain liable under each of the Receivables Collateral to observe and perform all the conditions and obligations to be observed and performed by it thereunder, all in accordance with the terms of any agreement giving rise thereto. Neither the Administrative Agent nor any Lender shall have any obligation or liability under any Receivables Collateral (or any agreement giving rise thereto) by reason of or arising out of this Agreement or the receipt by the Administrative Agent or any Lender of any payment relating thereto, nor shall the Administrative Agent or any Lender be obligated in any manner to perform any of the obligations of any Grantor under or pursuant to any Receivables Collateral (or any agreement giving rise thereto), to make any payment, to make any inquiry as to the nature or the sufficiency of any payment received by it or as to the sufficiency of any performance by any party thereunder, to present or file any claim, to take any action to enforce any performance or to collect the payment of any amounts which may have been assigned to it or to which it may be entitled at any time or times.

6.3 Pledged Notes. (a) Unless an Event of Default shall have occurred and be continuing and the Administrative Agent shall have given notice to the relevant Grantor of the Administrative

Agent's intent to exercise its corresponding rights pursuant to Section 6.3(b), each Grantor shall be permitted to receive all payments made in respect of the Pledged Notes paid in the normal course of business of the relevant Issuer and consistent with past practice, to the extent permitted in the Credit and Guarantee Agreement, and to exercise all voting and corporate or other organizational rights with respect to the Investment Property; provided, however, that no vote shall be cast or corporate or other organizational right exercised or other action taken which, in the Administrative Agent's reasonable judgment, would impair the Collateral or which would be inconsistent with or result in any violation of any provision of the Credit and Guarantee Agreement, this Agreement or any other Loan Document.

(b) If an Event of Default shall occur and be continuing and the Administrative Agent shall give notice of its intent to exercise such rights to the relevant Grantor or Grantors, (i) the Administrative Agent shall have the right to receive any and all cash dividends, payments or other Proceeds paid in respect of the Investment Property and make application thereof to the Obligations in such order as the Administrative Agent may determine, and (ii) any or all of the Investment Property shall be registered in the name of the Administrative Agent or its nominee, and the Administrative Agent or its nominee may thereafter exercise (x) all voting, corporate and other rights pertaining to such Investment Property at any meeting of shareholders of the relevant Issuer or Issuers or otherwise and (y) any and all rights of conversion, exchange and subscription and any other rights, privileges or options pertaining to such Investment Property as if it were the absolute owner thereof (including, without limitation, the right to exchange at its discretion any and all of the Investment Property upon the merger, consolidation, reorganization, recapitalization or other fundamental change in the corporate or other organizational structure of any Issuer, or upon the exercise by any Grantor or the Administrative Agent of any right, privilege or option pertaining to such Investment Property, and in connection therewith, the right to deposit and deliver any and all of the Investment Property with any committee, depository, transfer agent, registrar or other designated agency upon such terms and conditions as the Administrative Agent may determine), all without liability except to account for property actually received by it, but the Administrative Agent shall have no duty to any Grantor to exercise any such right, privilege or option and shall not be responsible for any failure to do so or delay in so doing.

(c) Each Grantor hereby authorizes and instructs each Issuer of any Investment Property pledged by such Grantor hereunder to (i) comply with any instruction received by it from the Administrative Agent in writing that (x) states that an Event of Default has occurred and is continuing and (y) is otherwise in accordance with the terms of this Agreement, without any other or further instructions from such Grantor, and each Grantor agrees that each Issuer shall be fully protected in so complying, and (ii) unless otherwise expressly permitted hereby, pay any dividends or other payments with respect to the Investment Property directly to the Administrative Agent.

6.4 Proceeds to be Turned Over To Administrative Agent. In addition to the rights of the Administrative Agent and the Lenders specified in Section 6.1 with respect to payments of Receivables Collateral, if an Event of Default shall occur and be continuing, all Proceeds received by any Grantor consisting of cash, checks and other near-cash items shall be held by such Grantor in trust for the Administrative Agent and the Lenders, segregated from other funds of such Grantor, and shall, forthwith upon receipt by such Grantor, be turned over to the Administrative Agent in the exact form received by such Grantor (duly indorsed by such Grantor to the Administrative Agent, if required). All Proceeds received by the Administrative Agent hereunder shall be held by the Administrative Agent in a Collateral Account maintained under its sole dominion and control. All Proceeds while held by the Administrative Agent in a Collateral Account (or by such Grantor in trust for the Administrative Agent and the Lenders) shall continue to be held as collateral security for all the Obligations and shall not constitute payment thereof until applied as provided in Section 6.5.

6.5 Application of Proceeds. At such intervals as may be reasonably agreed upon by the Company and the Administrative Agent, or, if an Event of Default shall have occurred and be continuing, at any time at the Administrative Agent's election, the Administrative Agent may apply all or any part of Proceeds constituting Collateral, whether or not held in any Collateral Account, in payment of the Obligations in such order as the Administrative Agent may elect, and any part of such funds which the Administrative Agent elects not so to apply and deems not required as collateral security for the Obligations shall be paid over from time to time by the Administrative Agent to the Company or to whomsoever may be lawfully entitled to receive the same. Any balance of such Proceeds remaining after the Obligations shall have been paid in full, no Letters of Credit shall be outstanding and the Revolving Credit Commitments shall have terminated shall be paid over to the Company or to whomsoever may be lawfully entitled to receive the same.

6.6 Code and Other Remedies. If an Event of Default shall occur and be continuing, the Administrative Agent, on behalf of the Lenders, may exercise, in addition to all other rights and remedies granted to them in this Agreement and in any other instrument or agreement securing, evidencing or relating to the Obligations, all rights and remedies of a secured party under the New York UCC or any other applicable law. Without limiting the generality of the foregoing, the Administrative Agent, without demand of performance or other demand, presentment, protest, advertisement or notice of any kind (except any notice required by law referred to below) to or upon any Grantor or any other Person (all and each of which demands, defenses, advertisements and notices are hereby waived), may in such circumstances forthwith collect, receive, appropriate and realize upon the Collateral, or any part thereof, and/or may forthwith sell, lease, assign, give option or options to purchase, or otherwise dispose of and deliver the Collateral or any part thereof (or contract to do any of the foregoing), in one or more parcels at public or private sale or sales, at any exchange, broker's board or office of the Administrative Agent or any Lender or elsewhere upon such terms and conditions as it may deem advisable and at such prices as it may deem best, for cash or on credit or for future delivery without assumption of any credit risk. The Administrative Agent or any Lender 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 the whole or any part of the Collateral so sold, free of any right or equity of redemption in any Grantor, which right or equity is hereby waived and released. Each Grantor further agrees, at the Administrative Agent's request, to assemble the Collateral and make it available to the Administrative Agent at places which the Administrative Agent shall reasonably select, whether at such Grantor's premises or elsewhere. The Administrative Agent shall apply the net proceeds of any action taken by it pursuant to this Section 6.6, after deducting all reasonable costs and expenses of every kind incurred in connection therewith or incidental to the care or safekeeping of any of the Collateral or in any way relating to the Collateral or the rights of the Administrative Agent and the Lenders hereunder, including, without limitation, reasonable attorneys' fees and disbursements, to the payment in whole or in part of the Obligations, in such order as the Administrative Agent may elect, and only after such application and after the payment by the Administrative Agent of any other amount required by any provision of law, including, without limitation, Section 9-615(a)(3) of the New York UCC, need the Administrative Agent account for the surplus, if any, to any Grantor. To the extent permitted by applicable law, each Grantor waives all claims, damages and demands it may acquire against the Administrative Agent or any Lender arising out of the exercise by them of any rights hereunder unless arising from their gross negligence or willful misconduct. If any notice of a proposed sale or other disposition of Collateral shall be required by law, such notice shall be deemed reasonable and proper if given at least 10 days before such sale or other disposition.

6.7 Deficiency. Each Grantor shall remain liable for any deficiency if the proceeds of any sale or other disposition of the Collateral are insufficient to pay its Obligations and the reasonable fees and disbursements of any attorneys employed by the Administrative Agent or any Lender to collect such deficiency.

SECTION 7. THE ADMINISTRATIVE AGENT

7.1 Administrative Agent's Appointment as Attorney-in-Fact, etc. (a) Each Grantor hereby irrevocably constitutes and appoints the Administrative Agent and any officer or agent thereof, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of such Grantor and in the name of such Grantor or in its own name, for the purpose of carrying out the terms of this Agreement, to take any and all appropriate action and to execute any and all documents and instruments which may be necessary or desirable to accomplish the purposes of this Agreement, and, without limiting the generality of the foregoing, each Grantor hereby gives the Administrative Agent the power and right, on behalf of such Grantor, without notice to or assent by such Grantor, to do any or all of the following:

(i) in the name of such Grantor or its own name, or otherwise, take possession of and indorse and collect any checks, drafts, notes, acceptances or other instruments for the payment of moneys due under any Receivables Collateral or with respect to any other Collateral and file any claim or take any other action or proceeding in any court of law or equity or otherwise deemed appropriate by the Administrative Agent for the purpose of collecting any and all such moneys due under any Receivables Collateral or with respect to any other Collateral whenever payable;

(ii) in the case of any Intellectual Property, execute and deliver, and have recorded, any and all agreements, instruments, documents and papers as the Administrative Agent may request to evidence the Administrative Agent's and the Lenders' security interest in such Intellectual Property and the goodwill and general intangibles of such Grantor relating thereto or represented thereby;

(iii) pay or discharge taxes and Liens levied or placed on or threatened against the Collateral. effect any repairs or any insurance called for by the terms of this Agreement and pay all or any part of the premiums therefor and the costs thereof;

(iv) execute, in connection with any sale provided for in Section 6.6 or 6.7, any indorsements, assignments or other instruments of conveyance or transfer with respect to the Collateral; and

(v) (1) direct any party liable for any payment under any of the Collateral to make payment of any and all moneys due or to become due thereunder directly to the Administrative Agent or as the Administrative Agent shall direct; (2) ask or demand for, collect, and receive payment of and receipt for, any and all moneys, claims and other amounts due or to become due at any time in respect of or arising out of any Collateral; (3) sign and indorse any invoices, freight or express bills, bills of lading, storage or warehouse receipts, drafts against debtors, assignments, verifications, notices and other documents in connection with any of the Collateral; (4) commence and prosecute any suits, actions or proceedings at law or in equity in any court of competent jurisdiction to collect the Collateral or any portion thereof and to enforce any other right in respect of any Collateral; (5) defend any suit, action or proceeding brought against such Grantor with respect to any Collateral; (6) settle, compromise or adjust any such suit, action or proceeding and, in connection therewith, give such discharges or releases as the Administrative Agent may deem appropriate; (7) assign any Copyright, Patent or Trademark (along with the goodwill of the business to which any such Copyright, Patent or Trademark pertains), throughout the world for such term or terms, on such conditions, and in such manner, as the Administrative Agent shall in its sole discretion determine; and (8) generally, sell, transfer, pledge and make any agreement with respect to or otherwise deal with any of the Collateral as fully and completely as though the Administrative Agent were the absolute owner thereof for all purposes, and do, at the Administrative Agent's option and such Grantor's expense, at any time, or from time to time, all acts and things which the Administrative Agent deems necessary to protect, preserve or realize upon the Collateral and the Administrative Agent's and the Lenders' security

interests therein and to effect the intent of this Agreement, all as fully and effectively as such Grantor might do.

Anything in this Section 7.1(a) to the contrary notwithstanding, the Administrative Agent agrees that it will not exercise any rights under the power of attorney provided for in this Section 7.1(a) unless an Event of Default shall have occurred and be continuing.

(b) If any Grantor fails to perform or comply with any of its agreements contained herein, the Administrative Agent, at its option, but without any obligation so to do, may perform or comply, or otherwise cause performance or compliance, with such agreement.

(c) The reasonable expenses of the Administrative Agent incurred in connection with actions undertaken as provided in this Section 7.1, together with interest thereon at a rate per annum equal to the highest rate per annum at which interest would then be payable on any category of past due ABR Loans under the Credit and Guarantee Agreement, from the date of payment by the Administrative Agent to the date reimbursed by the relevant Grantor, shall be payable by such Grantor to the Administrative Agent on demand.

(d) Each Grantor hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue hereof. All powers, authorizations and agencies contained in this Agreement are coupled with an interest and are irrevocable until this Agreement is terminated and the security interests created hereby are released.

7.2 Duty of Administrative Agent. The Administrative Agent's sole duty with respect to the custody, safekeeping and physical preservation of the Collateral in its possession, under Section 9-207 of the New York UCC or otherwise, shall be to deal with it in the same manner as the Administrative Agent deals with similar property for its own account. Neither the Administrative Agent, any Lender nor any of their respective officers, directors, employees or agents shall be liable for failure to demand, collect or realize upon any of the Collateral or for any delay in doing so or shall be under any obligation to sell or otherwise dispose of any Collateral upon the request of any Grantor or any other Person or to take any other action whatsoever with regard to the Collateral or any part thereof. The powers conferred on the Administrative Agent and the Lenders hereunder are solely to protect the Administrative Agent's and the Lenders' interests in the Collateral and shall not impose any duty upon the Administrative Agent or any Lender to exercise any such powers. The Administrative Agent and the Lenders shall be accountable only for amounts that they actually receive as a result of the exercise of such powers, and neither they nor any of their officers, directors, employees or agents shall be responsible to any Grantor for any act or failure to act hereunder, except for their own gross negligence or willful misconduct.

7.3 Execution of Financing Statements. Pursuant to any applicable law, each Grantor authorizes the Administrative Agent to file or record financing statements and other filing or recording documents or instruments with respect to the Collateral without the signature of such Grantor in such form and in such offices as the Administrative Agent reasonably determines appropriate to perfect the security interests of the Administrative Agent under this Agreement. Each Grantor authorizes the Administrative Agent to use the collateral description "all personal property" in any such financing statements. Each Grantor hereby ratifies and authorizes the filing by the Administrative Agent of any financing statement with respect to the Collateral made prior to the date hereof.

7.4 Authority of Administrative Agent. Each Grantor acknowledges that the rights and responsibilities of the Administrative Agent under this Agreement with respect to any action taken by the Administrative Agent or the exercise or non-exercise by the Administrative Agent of any option, voting right, request, judgment or other right or remedy provided for herein or resulting or arising out of this

Agreement shall, as between the Administrative Agent and the Lenders, be governed by the Credit and Guarantee Agreement and by such other agreements with respect thereto as may exist from time to time among them, but, as between the Administrative Agent and the Grantors, the Administrative Agent shall be conclusively presumed to be acting as agent for the Lenders with full and valid authority so to act or refrain from acting, and no Grantor shall be under any obligation, or entitlement, to make any inquiry respecting such authority.

SECTION 8. MISCELLANEOUS

8.1 Amendments in Writing. None of the terms or provisions of this Agreement may be waived, amended, supplemented or otherwise modified except in accordance with Section 14.1 of the Credit and Guarantee Agreement.

8.2 Notices. All notices, requests and demands to or upon the Administrative Agent or any Grantor hereunder shall be effected in the manner provided for in Section 14.2 of the Credit and Guarantee Agreement; provided that any such notice, request or demand to or upon any Guarantor shall be addressed to such Guarantor at its notice address set forth on Schedule 1.

8.3 No Waiver by Course of Conduct; Cumulative Remedies. Neither the Administrative Agent nor any Lender shall by any act (except by a written instrument pursuant to Section 8.1), delay, indulgence, omission or otherwise be deemed to have waived any right or remedy hereunder or to have acquiesced in any Default or Event of Default. No failure to exercise, nor any delay in exercising, on the part of the Administrative Agent or any Lender, any right, power or privilege hereunder shall operate as a waiver thereof. No single or partial exercise of any right, power or privilege hereunder shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege. A waiver by the Administrative Agent or any Lender of any right or remedy hereunder on any one occasion shall not be construed as a bar to any right or remedy which the Administrative Agent or such Lender would otherwise have on any future occasion. The rights and remedies herein provided are cumulative, may be exercised singly or concurrently and are not exclusive of any other rights or remedies provided by law.

8.4 Enforcement Expenses; Indemnification. (a) Each Guarantor agrees to pay or reimburse each Lender and the Administrative Agent for all its costs and expenses incurred in collecting against such Guarantor under the guarantee contained in the Domestic Subsidiary Guarantee or otherwise enforcing or preserving any rights under this Agreement and the other Loan Documents to which such Guarantor is a party, including, without limitation, the fees and disbursements of counsel (including the allocated fees and expenses of in-house counsel) to each Lender and of counsel to the Administrative Agent.

(b) Each Guarantor agrees to pay, and to save the Administrative Agent and the Lenders harmless from, any and all liabilities with respect to, or resulting from any delay by such Guarantor in paying, any and all stamp, excise, sales or other taxes which may be payable or determined to be payable with respect to any of the Collateral or in connection with any of the transactions contemplated by this Agreement.

(c) Each Guarantor agrees to pay, and to save the Administrative Agent and the Lenders harmless from, any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever with respect to the execution, delivery, enforcement, performance and administration of this Agreement to the extent the Company would be required to do so pursuant to Section 14.5 of the Credit and Guarantee Agreement.

(d) The agreements in this Section 8.4 shall survive repayment of the Obligations and all other amounts payable under the Credit and Guarantee Agreement and the other Loan Documents.

8.5 Successors and Assigns. This Agreement shall be binding upon the successors and assigns of each Grantor and shall inure to the benefit of the Administrative Agent and the Lenders and their successors and assigns; provided that no Grantor may assign, transfer or delegate any of its rights or obligations under this Agreement without the prior written consent of the Administrative Agent.

8.6 Set-Off. Each Grantor hereby irrevocably authorizes the Administrative Agent and each Lender at any time and from time to time, without notice to such Grantor or any other Grantor, any such notice being expressly waived by each Grantor, to set-off and appropriate and apply any and all deposits (general or special, time or demand, provisional or final), in any currency, and any other credits, indebtedness or claims, in any currency, in each case whether direct or indirect, absolute or contingent, matured or unmatured, at any time held or owing by the Administrative Agent or such Lender to or for the credit or the account of such Grantor, or any part thereof in such amounts as the Administrative Agent or such Lender may elect, against and on account of the obligations and liabilities of such Grantor to the Administrative Agent or such Lender hereunder and claims of every nature and description of the Administrative Agent or such Lender against such Grantor, in any currency, whether arising hereunder, under the Credit and Guarantee Agreement or any other Loan Document, as the Administrative Agent or such Lender may elect, whether or not the Administrative Agent or any Lender has made any demand for payment and although such obligations, liabilities and claims may be contingent or unmatured. The Administrative Agent and each Lender shall notify such Grantor promptly of any such set-off and the application made by the Administrative Agent or such Lender of the proceeds thereof, provided that the failure to give such notice shall not affect the validity of such set-off and application. The rights of the Administrative Agent and each Lender under this Section 8.6 are in addition to other rights and remedies (including, without limitation, other rights of set-off) which the Administrative Agent or such Lender may have.

8.7 Counterparts. This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts (including by telecopy), and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

8.8 Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

8.9 Section Headings. The Section headings used in this Agreement are for convenience of reference only and are not to affect the construction hereof or be taken into consideration in the interpretation hereof.

8.10 Integration. This Agreement and the other Loan Documents represent the agreement of the Grantors, the Administrative Agent and the Lenders with respect to the subject matter hereof and thereof, and there are no promises, undertakings, representations or warranties by the Administrative Agent or any Lender relative to subject matter hereof and thereof not expressly set forth or referred to herein or in the other Loan Documents.

8.11 GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

8.12 **Submission To Jurisdiction; Waivers.** Each Grantor hereby irrevocably and unconditionally:

(a) submits for itself and its property in any legal action or proceeding relating to this Agreement and the other Loan Documents to which it is a party, or for recognition and enforcement of any judgment in respect thereof, to the non-exclusive general jurisdiction of the courts of the State of New York, the courts of the United States of America for the Southern District of New York, and appellate courts from any thereof;

(b) consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

(c) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to such Grantor at its address referred to in Section 8.2 or at such other address of which the Administrative Agent shall have been notified pursuant thereto;

(d) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law or shall limit the right to sue in any other jurisdiction; and

(e) waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any legal action or proceeding referred to in this Section any special, exemplary, punitive or consequential damages.

8.13 **Acknowledgements.** Each Grantor hereby acknowledges that:

(a) it has been advised by counsel in the negotiation, execution and delivery of this Agreement and the other Loan Documents to which it is a party;

(b) neither the Administrative Agent nor any Lender has any fiduciary relationship with or duty to any Grantor arising out of or in connection with this Agreement or any of the other Loan Documents, and the relationship between the Grantors, on the one hand, and the Administrative Agent and Lenders, on the other hand, in connection herewith or therewith is solely that of debtor and creditor; and

(c) no joint venture is created hereby or by the other Loan Documents or otherwise exists by virtue of the transactions contemplated hereby among the Lenders or among the Grantors and the Lenders.

8.14 **Additional Grantors.** Each Subsidiary of the Company that is required to become a party to this Agreement pursuant to Section 9.9 of the Credit and Guarantee Agreement shall become a Grantor for all purposes of this Agreement upon execution and delivery by such Subsidiary of an Assumption Agreement in the form of Annex A hereto.

8.15 **Releases.** (a) At such time as the Loans, the Reimbursement Obligations and the other Obligations (other than Obligations in respect of Lender Hedging Agreements) shall have been paid in full, the Revolving Credit Commitments have been terminated and no Letters of Credit shall be outstanding, the Collateral shall be released from the Liens created hereby, and this Agreement and all obligations (other than those expressly stated to survive such termination) of the Administrative Agent

and each Grantor hereunder shall terminate, all without delivery of any instrument or performance of any act by any party, and all rights to the Collateral shall revert to the Grantors. At the request and sole expense of any Grantor following any such termination, the Administrative Agent shall deliver to such Grantor any Collateral held by the Administrative Agent hereunder, and execute and deliver to such Grantor such documents as such Grantor shall reasonably request to evidence such termination.

(b) If any of the Collateral shall be sold, transferred or otherwise disposed of by any Grantor in a transaction permitted by the Credit and Guarantee Agreement, then the Administrative Agent, at the request and sole expense of such Grantor, shall execute and deliver to such Grantor all releases or other documents reasonably necessary or desirable for the release of the Liens created hereby on such Collateral. At the request and sole expense of the Company, a Subsidiary of the Company that is a party hereto shall be released from its obligations hereunder in the event that all the Capital Stock of such Subsidiary shall be sold, transferred or otherwise disposed of in a transaction permitted by the Credit and Guarantee Agreement; provided that the Company shall have delivered to the Administrative Agent, at least ten Business Days prior to the date of the proposed release, a written request for release identifying the relevant Subsidiary and the terms of the sale or other disposition in reasonable detail, including the price thereof and any expenses in connection therewith, together with a certification by the Company stating that such transaction is in compliance with the Credit and Guarantee Agreement and the other Loan Documents.

8.16 WAIVER OF JURY TRIAL. EACH GRANTOR HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AND FOR ANY COUNTERCLAIM THEREIN.

IN WITNESS WHEREOF, each of the undersigned has caused this Collateral Agreement to be duly executed and delivered as of the date first above written.

BUSH INDUSTRIES, INC.

By: *M. P. Funderil*
Title: *CFO, TREASURER*

BUSH INDUSTRIES OF PENNSYLVANIA, INC.

By: *M. P. Funderil*
Title: *TREASURER*

BUSH INDUSTRIES OF OHIO, INC.

By: *Donald F. Kuntz*
Title: *TREASURER*

BUSH MANAGEMENT, INC.

By: *M. P. Funderil*
Title: *TREASURER*

BUSH SERVICE GROUP, INC.

By: *M. P. Funderil*
Title: *TREASURER*

FOURNIER FURNITURE, INC.

By: *M. P. Funderil*
Title: *TREASURER*

THE COLORWORKS, INC.

By: *W. P. Funder*
Title: *TREASURER, SECRETARY*

BUSH TECHNOLOGIES, INC.

By: *W. P. Funder*
Title: *TREASURER*

NOTICE ADDRESSES OF GUARANTORS

Bush Industries, Inc.
One Mason Drive
P.O. Box 460
Jamestown, NY 14702-0460
Attn: Treasurer

Bush Industries of Pennsylvania, Inc.
One Mason Drive
P.O. Box 460
Jamestown, NY 14702-0460
Attn: Treasurer

Bush Industries of Ohio, Inc.
One Mason Drive
P.O. Box 460
Jamestown, NY 14702-0460
Attn: Treasurer

Bush Management, Inc.
One Mason Drive
P.O. Box 460
Jamestown, NY 14702-0460
Attn: Treasurer

Bush Services Group, Inc.
One Mason Drive
P.O. Box 460
Jamestown, NY 14702-0460
Attn: Treasurer

Fournier Furniture, Inc.
One Mason Drive
P.O. Box 460
Jamestown, NY 14702-0460
Attn: Treasurer

The ColorWorks, Inc.
One Mason Drive
P.O. Box 460
Jamestown, NY 14702-0460
Attn: Treasurer

Bush Technologies, Inc.
One Mason Drive
P.O. Box 460
Jamestown, NY 14702-0460
Attn: Treasurer

509265-0499-02897-NY03.2154491.1

TRADEMARK
REEL: 002505 FRAME: 0479

Schedule 2

DESCRIPTION OF INVESTMENT PROPERTY

None

**FILINGS AND OTHER ACTIONS
REQUIRED TO PERFECT SECURITY INTERESTS**

See attached UCC-1s

**LOCATION OF JURISDICTION OF ORGANIZATION AND
CHIEF EXECUTIVE OFFICE**

<u>Grantor</u>	<u>Jurisdiction of Organization</u>	<u>Location of Chief Executive Office</u>
Bush Industries, Inc.	Delaware	One Mason Drive Jamestown, NY 14702
Bush Industries of Pennsylvania, Inc.	Delaware	2455 Robison Road Erie, PA 16509
Bush Industries of Ohio, Inc.	Delaware	One Mason Drive Jamestown, NY 14702
Bush Management, Inc.	Florida	12610 World Plaza Lane Fort Myers, FL 33907
Bush Service Group, Inc. (1)	Delaware	One Mason Drive Jamestown, NY 14702
Fournier Furniture, Inc.	Delaware	One Bush Drive St. Paul, VA 24283
The ColorWorks, Inc.	North Carolina	3010 Executive Drive Greensboro, NC 27406
Bush Technologies, Inc.	Delaware	One Mason Drive Jamestown, NY 14702

(1) Currently in the process of being dissolved as part of the December 2000 sale of TASC to NPS

LOCATION OF INVENTORY AND EQUIPMENT

<u>Grantor</u>	<u>Locations</u>
Bush Industries, Inc.	One Mason Drive P.O. Box 460 Jamestown, NY 14702-0460
	1111 Allen Street Jamestown, NY 14701
	150 Tiffany Street Jamestown, NY 14701
	500 South Work Street Falconer, NY 14733
	312 Oak Street Little Valley, NY 14755
	International Home Furnishings Center 5 th Floor Wrenn, Green and Hamilton Wings Space No. W547 plus bays G561 & H545 High Point, NC 27261
	3275 Sheridan Drive Amherst, NY 14266
	1170 Central Ave. Units #10 & 11 Dunkirk, NY 14048
	Fairmount Plaza 705 Fairmount Avenue W.E. Jamestown, NY 14701
Bush Industries of Pennsylvania, Inc.	2455 Robison Road Erie, PA 16509
	3622 Liberty Plaza Erie, PA 16508

Bush Management, Inc.	Building #61, Suite #1 12610 World Plaza Lane Fort Myers, FL 33907
	The Merchandise Mart Room 1191 200 World Trade Center Chicago, IL 60654
	Painesville Commons STE 19A 1477 Mentor Avenue Painesville, OH 44077
	17040 El Camino Real - Suite 600 Houston, TX 77058
Fournier Furniture, Inc.	One Bush Drive St. Paul, VA 24283
The ColorWorks, Inc.	3008 - 3010 Executive Drive Greensboro, NC 27406
	207 Industrial Avenue Greensboro, NC 27406
	286 Industrial Park Rutherfordton, NC 28139

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CATEGORY	NAME
Play It	<ol style="list-style-type: none">1. High Roller2. Full House3. Pool Player4. Bullseye
Celebrate	<ol style="list-style-type: none">1. Blarney2. Corny3. Frosty4. Love5. Sleighbells
Kool & Kitschy	<ol style="list-style-type: none">1. Route 662. Soda Pop3. Space Invasion4. Marbles5. Comic
Fun & Funky	<ol style="list-style-type: none">1. Cherry Bomb2. Fiesta3. Graffiti4. Fizzywhiz5. Tribal6. Kung Fu Kid7. Japanese Dream
Elemental	<ol style="list-style-type: none">1. Clouds2. Fire3. Snow4. Stormi

COPYRIGHT LICENSES

None

LICENSE GRANTED TO GRANTORS

From:

Cubic Co., LTD.
789 Miyakarmi
Shimizu-Shi
Shizuoka
424 Japan

Certain Master License Rights for certain patent rights and know-how relating to certain continuous three-dimensional multi-color print technology for the Western Hemisphere and the geographic territories of France, Switzerland, the former West Germany, Austria, Greece, Spain, South Africa and Portugal through July 31, 2006, with certain provisions to either continue to have the right to process parts or renew all or part of the Master License Rights after July 31, 2006.

LICENSE GRANTED BY GRANTORS

Sub-Licenses of Certain Patent Rights And Know-how Relating to Certain Continuous Three-dimensional Multi-color Print Technology To:

HydroGrafix Design & Surface Technology GmbH
Doppheide 87
D-49084 Osnabruck
Germany

K & D Gunsmithing
708 12th Street, SE
Cochran, GA 31014

McPherson Archery
734 Industrial Park Dr.
Brewton, Ala. 36426

Motorola
8000 West Sunrise Blvd.
Ft. Lauderdale, Fla. 33322

Oakley, Inc.
One Icon
Foothill Ranch, Ca 92610

Plastic Dress Up
11099 East Rush Street
South El Monte, Ca 91733-0897

Tecnografic, Inc.
1010 NW 51st Place
Fort Lauderdale, Fla. 33309

Timbalex, Ltd.
Basil Hill Rd.
Didcot, Oxfordshire OX11 7HJ UK

Cubic Europe S.A.R.L.
Hotel du District
99-101 rue Mal Foch B.P. 805
57208 Sarreguemines
CEDEX, France

509265-0499-02897-NY03.2154491.1

LIST OF PATENTS

Bush Industries, Inc. (Patents)

Patent Report by Invention COUNTRY	REFERENCE#	TYPE	FILED	SERIAL#	ISSUED	PATENT#	STATUS
"Automatic Shaping and Edge Foiling Machine"							
UNITED STATES	970818	NEW	11/18/1997	60/065,589			EXPIRED
"Stack Boring Machine and Method"							
UNITED STATES	971530	NEW	11/19/1997	60/066,203			EXPIRED
"Furniture Packing System"							
UNITED STATES	971169	NEW	11/12/1997	60/065,358			EXPIRED
"LapTop Computer Stand"							
UNITED STATES	951467	NEW	8/23/1995	60/002,692			EXPIRED
UNITED STATES	951929	FCA	1/26/1996	08/592,224	12/16/1997	5,697,686	ISSUED
WIPO	961051	CEQ	8/23/1996	PCT/US96/13747			ABANDONED
"Home Theater Bridge"							
UNITED STATES	960532	NEW	4/15/1996	60/016,337			EXPIRED
UNITED STATES	970042	FCA	4/14/1997	08/833,236	8/18/1998	5,795,041	ISSUED
"Panel Construction and Method For Manufacturing"							
UNITED STATES	951462	NEW	8/29/1995	60/002,906			EXPIRED
UNITED STATES	951798	FCA	3/25/1996	08/621,472	11/10/1998	5,832,692	ISSUED
"Method for Trimming Banding on Furniture Pieces"							
UNITED STATES	971561	NEW	4/6/1998	60/080,860			EXPIRED
UNITED STATES	980544	FCA	4/5/1999	09/286,548			ABANDONED
"Curved Hollow Panel and Method For Manufacture"							
UNITED STATES	960145	NEW	10/9/1996	08/731,072	10/6/1998	5,816,013	ISSUED
"Drawer Front Fastener"							
UNITED STATES	960648	NEW	9/18/1996	08/710,672	10/20/1998	5,823,700	ISSUED
"Stand Alone Furniture"							
UNITED STATES	91428	CON	5/22/1991	07/704,300			DESTROYED
"Video Storage Cart or the Like"							
UNITED STATES	88246	NEW	5/2/1988	189,689	6/20/1989	D301,664	ISSUED
"Entertainment Center"							
UNITED STATES	88249	NEW	5/2/1988	189,694	5/2/1989	D300,888	ISSUED
"Desk"							
UNITED STATES	88250	NEW	5/2/1988	189,693	11/14/1989	D304,530	ISSUED
"Table or Similar Article"							
UNITED STATES	86041	NEW	3/3/1986	835,453	6/27/1989	D301,814	ISSUED
UNITED STATES	881106	DIV	10/31/1988	264,369	12/26/1989	D305,186	ISSUED
UNITED STATES	881105	DIV	10/31/1988	264,781	2/20/1990	D306,106	ISSUED
"Hutch"							
UNITED STATES	88251	NEW	1/30/1989	07/303,409	8/1/1989	D302,498	ISSUED

"Bookcase"

UNITED STATES	88252	NEW	4/29/1988	188,384	2/26/1991	D314,877	ISSUED
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"Furniture Stand"

UNITED STATES	881104	NEW	10/11/188	264,501	12/12/1989	D304,982	ISSUED
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"Entertainment Center or Similar Article"

UNITED STATES	881107	DIV	10/31/1988	265,128	8/1/1989	D302,99	ISSUED
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"Furniture Cabinet or Similar Article"

UNITED STATES	87681	NEW	1/26/1988	148,061	1/29/1991	D314,093	ISSUED
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LIST OF PATENTS

Bush Industries, Inc. (Patents)

Patent Report by Invention COUNTRY	REFERENCE#	TYPE	FILED	SERIAL#	ISSUED	PATENT#	STATUS
"Furniture Cabinet or Similar Article" UNITED STATES	87682	NEW	1/26/1988	149,055	1/29/1991	D314,092	ISSUED
"Stand Alone Cabinet" UNITED STATES	87685	NEW	2/3/1988	07/151,959	7/23/1991	D318,387	ISSUED
"Entertainment Center" UNITED STATES	87582	NEW	12/21/1987	135,013	5/8/1990	D307,682	ISSUED
"Computer Workstation" UNITED STATES	89628	NEW	12/18/1989	07/451,624			ABANDONED
"Entertainment Center at Similar Article" UNITED STATES	87697	NEW	1/28/1988	151,241	1/29/1991	D314,096	ISSUED
"TV/VCR Cart" UNITED STATES	87696	NEW	2/3/1988	151,958	6/30/1992	D327,380	ISSUED
"Entertainment Center" UNITED STATES	88254	NEW	5/2/1988	189,461	5/16/1989	D301,095	ISSUED
"Audio Furniture" UNITED STATES	88248	NEW	5/2/1988	07/189,598	5/7/1991	D316,642	ISSUED
"Shelf Unit Furniture" UNITED STATES	88257	NEW	5/2/1988	189,695			DESTROYED
"Audio/Video Furniture" UNITED STATES	88256	NEW	8/8/1988	07/229,551	2/19/1991	D316,641	ISSUED
"Printer Stand or the Like" UNITED STATES	88255	NEW	5/2/1988	189,602	5/16/1989	D301,096	ISSUED
"Desk" UNITED STATES	881100	NEW	10/28/1988	264,173	7/30/1990	D313,518	ISSUED
"Room Divider" UNITED STATES	87694	NEW	1/26/1988	07/151,326	5/7/1991	D316,640	ISSUED
"TV/VCR Cart" UNITED STATES	87695	NEW	1/22/1988	07/149,201	1/29/1991	D314,095	ISSUED
"Hutch or Similar Article" UNITED STATES	881109	CON	10/31/1988	264,764	12/12/1989	D304,980	ISSUED
"Desk" UNITED STATES	881108	CON	10/31/1988	07/264,782	10/5/1989	D304,979	ISSUED

"Adjustable Hinge Pin"

UNITED STATES	84392	NEW	10/10/1984	659,325			ABANDONED
UNITED STATES	86314	CON	7/11/1986	884,495	7/7/1987	4,677,707	DESTROYED

"Combined Television Stand and Video Accessory Storage"

UNITED STATES	901017	NEW	12/18/1990	07/629,210	9/24/1991	D 320,126	ISSUED
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"TV/VCR Stand with Swivel"

UNITED STATES	901018	NEW	12/18/1990	07/629,353			DESTROYED
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"Office Armoire"

UNITED STATES	950174	NEW	2/8/1995	29/034,606	6/18/1996	D 370,797	ISSUED
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"Office Armoire"

UNITED STATES	950137	NEW	4/11/1995	08/420,072	12/17/1996	5,584,548	ISSUED
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"Lap Top Computer Cart"

UNITED STATES	951930	NEW	1/26/1996	29/049,501	3/11/1997	D 378,454	ISSUED
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LIST OF PATENTS

Bush Industries, Inc. (Patents)

Patent Report by Invention COUNTRY	REFERENCE#	TYPE	FILED	SERIAL#	ISSUED	PATENT#	STATUS
"Twin Tower Furniture Unit"							
UNITED STATES	950595	NEW	4/5/1995	08/417.667			ABANDONED
"Laptop Computer Cart"							
UNITED STATES	951607	NEW	1/26/1996	29/049.500	12/9/1997	D 387,218	ISSUED
"Entertainment Center-P1233"							
UNITED STATES	901182	NEW	1/22/1991	07/643.816			DESTROYED
"Entertainment Center-P1234"							
UNITED STATES	901183	NEW	1/17/1991	07/642.373			DESTROYED
"Home Entertainment Center or the Like"							
UNITED STATES	91449	NEW	6/13/1991	07/714.754			DESTROYED
UNITED STATES	91655	CON	7/29/1991	07/736.914			DESTROYED
UNITED STATES	91656	CON	7/29/1991	07/736.913			DESTROYED
"Audio Cabinet or the Like"							
UNITED STATES	91450	NEW	6/13/1991	07/714.757			ABANDONED
"CRT Desk"							
UNITED STATES	91544	NEW					ABANDONED
"Home Office Armoire"							
UNITED STATES	91715	NEW	8/22/1991	07/748.830	6/8/1993	D 336,178	ISSUED
"Desk"							
UNITED STATES	91796	NEW	8/23/1991	07/748.912	1/11/1994	D 343,072	ISSUED
UNITED STATES	930673	DIV	7/26/1993	29/011,074	4/19/1994	D 346,078	ISSUED
UNITED STATES	930674	DIV	7/26/1993	29/011,672	3/1/1994	D 344,648	ISSUED
"Entertainment Center"							
UNITED STATES	87581	NEW			5/8/1990	D 307,681	ISSUED
"Cabinet or Similar Article"							
UNITED STATES	87680	NEW			1/29/1991	D 314,094	ISSUED
"Laptop Computer Cart"							
UNITED STATES	951931	NEW	1/26/1996	29/049.498	2/4/1997	D377,720	ISSUED
"Furniture Anti-Tip Device and Method"							
CANADA	001209	CEQ	6/28/2000	2,312,680			PENDING
UNITED STATES	991001	NEW	6/29/1999	60/141.472			EXPIRED
UNITED STATES	001205	FCA	6/27/2000	09/603.938			ABANDONED
"Hutch"							
UNITED STATES	89157	DIV			8/8/1989	D 302,631	ISSUED
"Armoire or Entertainment Center"							
UNITED STATES	001823	NEW	11/13/2000	60/248.161			EXPIRED
UNITED STATES	011847	FCA	11/13/2001	10/007,799			PENDING
"Canopy Apparatus"							
UNITED STATES	011015	NEW	9/21/2001	09/960.121			PENDING

LIST OF TRADEMARKS

Bush Industries, Inc. (TM)

Trademark Report by Mark

COUNTRY	REFERENCE#	FILED	APPL#	REGDT	REG#	STATUS	CLASSES
AMERICAN CONTEMPORARY							
UNITED STATES	90141	3/13/1990	74/038,026	1/8/1991	1,631,207	DESTROYED	20
BUSH							
ARGENTINA	960275	2/26/1996	2,022,692	2/28/1997	1,627,494	REGISTERED	20
BOLIVIA	960535	3/10/1997	3307	2/25/1999	71079-C	REGISTERED	20
BRAZIL	960276	3/12/1996	819,067,709	9/15/1998	819,067,709	REGISTERED	20
CANADA	930741	10/21/1993	739,654	5/19/1995	443,840	REGISTERED	
CHINA	970496	7/4/1997	970,068,604	9/21/1998	1,208,351	REGISTERED	20
COLOMBIA	960277	5/21/1996	96/025,625	9/20/2000	231,933	REGISTERED	20
ECUADOR	980081	2/17/1998	85,338	12/23/1999	3020-99	REGISTERED	20
GERMANY	930743	8/23/1993	B 99330/20Wz			PENDING	
MEXICO	930745	1/21/1994	188,700			PENDING	20
MEXICO	970030	1/15/1997	284207	1/31/1997	541,621	REGISTERED	20
PANAMA	960278	7/17/1996	82,066	7/17/1996	82,066	REGISTERED	20
PARAGUAY	980082	2/20/1998	3,699	6/29/2000	226,111	REGISTERED	20
PERU	960658	5/14/1996	10,571	10/15/1996	30,065	REGISTERED	20
PHILIPPINES	970745	6/19/1997	121,818			PENDING	
UNITED STATES	89926	10/5/1989	73/829,472	5/29/1990	1,599,025	REGISTERED	42
UNITED STATES	83278	10/6/1983	447,042	1/15/1985	1,314,660	REGISTERED	20
UNITED STATES	75360	10/1/1976	101,751	7/17/1978	1,082,564	REGISTERED	
VENEZUELA	930747	8/27/1993	15790			PENDING	20
BUSH AND DESIGN							
ARGENTINA	960279	2/26/1996	2,022,693	2/28/1997	1,627,495	REGISTERED	20
BOLIVIA	960534	3/10/1997	3309	2/25/1999	71088-C	REGISTERED	20
BRAZIL	960280	3/12/1996	819,067,717	9/15/1998	81,9067,717	REGISTERED	20
COLOMBIA	960281	5/24/1996	96/026,694	9/20/2000	231934	REGISTERED	20
JAPAN	960387					PROPOSED	20
MEXICO	970026	11/6/1991	N/A	10/3/1994	476,167	ABANDONED	
PANAMA	960282	7/17/1996	82,067	7/17/1996	82,067	REGISTERED	20
PERU	960659	5/14/1996	10,572	11/20/1996	31,013	REGISTERED	20
UNITED STATES	970739	5/20/1997	75/295,073	10/5/1999	2,283,730	REGISTERED	20
UNITED STATES	83279	10/6/1983	446,885	1/15/1985	1,314,659	REGISTERED	20
BUSH BUSINESS FURNITURE and Design							
UNITED STATES	991383	11/9/1999	75/844,171			ALLOWED	20

TRADEMARK

REEL: 002505 FRAME: 0494

LIST OF TRADEMARKS

Bush Industries, Inc. (TM)

Trademark Report by Mark

COUNTRY	REFERENCE#	FILED	APPL#	REGDT	REG#	STATUS	CLASSES
BUSH FURNITURE							
ECUADOR	980342	2/17/1998	85,339	2/15/2000	323-00	REGISTERED	20
BUSH FURNITURE AND DESIGN							
UNITED STATES	970702	5/20/1997	75/295,058	3/23/1999	2,235,159	REGISTERED	20
UNITED STATES	970699	5/9/1997	75/289,501	4/6/1999	2,237,545	REGISTERED	20
BUSH FURNITURE AND DEVICE							
PARAGUAY	980478	2/20/1998	3,698	8/29/2000	228.033	REGISTERED	20
BUSH FURNITURE FOR THE WAY YOU LIVE AND DESIGN							
UNITED STATES	970700	5/9/1997	75/289,298	3/23/1999	2,235,133	REGISTERED	20
UNITED STATES	970703	3/20/1997	75/294,767	4/6/1999	2,237,571	REGISTERED	20
BUSH FURNITURE FOR THE WAY YOU WORK AND DESIGN							
UNITED STATES	981131					PROPOSED	
BUSH INDUSTRIES							
JAPAN	960386	3/14/1996	26223/96	3/27/1998	4,128,374	REGISTERED	20
BUSH INDUSTRIES AND DESIGN							
UNITED STATES	971763	12/22/1997	75/409,090	12/28/1999	2,304,713	REGISTERED	20
UNITED STATES	930782	9/29/1993	74/441,594	4/18/1995	1,889,912	ABANDONED	20
UNITED STATES	971764	12/22/1997	75/409,088	12/28/1999	2,304,712	REGISTERED	20
BUSH LOGO							
CANADA	930742	10/21/1993	739,725	6/30/1995	444,620	REGISTERED	
CHINA	970497					PROPOSED	
GERMANY	930744	8/23/1993	B 99329/20 Wz			PENDING	
MEXICO	930746	1/21/1994	188,701			PENDING	20
VENEZUELA	930748	8/27/1993	15789			PENDING	20
BUSINESS ON THE MOVE							
UNITED STATES	981128	8/14/1998	75/536,355			ABANDONED	20,42
BUSINESSES ON THE MOVE							
UNITED STATES	981129	8/14/1998	75/536,356			ALLOWED	20,42.9
CALL-TO-INSTALL							
UNITED STATES	991586	10/27/1999	75/834,814			PENDING	38
CASE CASARD BY BUSH							
UNITED STATES	970227					PROPOSED	
UNITED STATES	970343					INACTIVE	

LIST OF TRADEMARKS

Bush Industries, Inc. (TM)

Trademark Report by Mark							
COUNTRY	REFERENCE#	FILED	APPL#	REGDT	REG#	STATUS	CLASSES
CASE CASARD BY BUSH AND DESIGN							
UNITED STATES	91335	4/19/1991	74/159,678			DESTROYED	20
CONTOURS COLLECTION							
UNITED STATES	920629	7/6/1992	74/291,631			DESTROYED	20
CREW QUARTERS							
UNITED STATES	991463	2/18/1994	74/491,863	3/7/1995	1,882,241	ABANDONED	
CUBIX							
CANADA	971477	10/14/1997	858,575	10/19/1999	TMA 518,143	REGISTERED	20
UNITED STATES	971066	7/31/1997	75/333,546	9/21/1999	2,279,852	REGISTERED	20
DESIGN LINE							
UNITED STATES	991496	10/27/1999	75/834,816			PENDING	35
DIAMOND COAT							
UNITED STATES	990895	6/21/1999	75/734,297	12/25/2001	2,521,594	REGISTERED	
DOVER OAK COLLECTION							
UNITED STATES	91570	7/1/1991	74/181,229	7/21/1992	1,701,820	DESTROYED	20
ERIC MORGAN BY BUSH							
UNITED STATES	91310	4/19/1991	74/159,677	1/5/1993	1,745,208	REGISTERED	20
EXCEPTIONAL VALUE COLLECTION							
UNITED STATES	920631	9/25/1992	74/317,018			DESTROYED	
FOR THE WAY YOU WORK							
UNITED STATES	981130	8/14/1998	75/536,358	10/30/2001	2,502,401	REGISTERED	9,20
FURNITURE FOR THE WAY YOU LIVE							
UNITED STATES	991246	10/27/1999	75/832,695			ALLOWED	20
FURNITURE ON THE MOVE							
UNITED STATES	89669	10/5/1989	73/829,439	5/8/1990	1,595,424	ABANDONED	20,42
UNITED STATES	001982	11/6/2000	76/161,123			ALLOWED	20,42
GALLERY II COLLECTION							
UNITED STATES	920630	7/6/1992	74/290,975			DESTROYED	20
GENESIS COLLECTION							
UNITED STATES	920632	8/14/1992	74/304,274			DESTROYED	20
HARVEST OAK COLLECTION							
UNITED STATES	90142	2/23/1990	74/032,022	4/2/1991	1,639,771	DESTROYED	

LIST OF TRADEMARKS

Bush Industries, Inc. (TM)

Trademark Report by Mark		FILED	APPL#	REGDT	REG#	STATUS	CLASSES
COUNTRY	REFERENCE#						
HIDE-A-CHAIR							
UNITED STATES	950165	2/8/1995	74/631,334	10/1/1996	2,005,189	REGISTERED	20
HIDE-AWAY RETURN							
UNITED STATES	91924	10/3/1991	74/209,365			DESTROYED	20
HORIZONS COLLECTION							
UNITED STATES	91602	7/1/1991	74/181,832			DESTROYED	20
INNOVATIONS COLLECTION							
UNITED STATES	970822	8/14/1997	75/340,900	12/28/1999	2,303,272	REGISTERED	9,20
UNITED STATES	89237	8/24/1989	73/821,494	11/27/1990	1,624,541	ABANDONED	20
JAMESTOWN COLLECTION							
UNITED STATES	891199	12/20/1989	74/012,376	12/4/1990	1,626,008	ABANDONED	20
LAKEWOOD OAK COLLECTION							
UNITED STATES	89422	7/7/1989	73/811,292	3/6/1990	1,585,709	REGISTERED	
MASTERKITS							
UNITED STATES	991464	1/22/1993	74/351,198	4/26/1994	1,833,349	ABANDONED	
MONTEREY OAK COLLECTION							
UNITED STATES	91013	1/8/1991	74/128,823			ABANDONED	20
UNITED STATES	920080	1/24/1992	74/240,022	4/13/1993	1,764,526	ABANDONED	20
OAK ELEGANTS							
UNITED STATES	87487	10/19/1987	690,316			ABANDONED	20
OFFICE ADVANTAGE							
UNITED STATES	971046	7/31/1997	75/333,549	3/23/1999	2,235,313	REGISTERED	20
OFFICE ELEMENTS							
UNITED STATES	000280	2/11/2000	75/916,133			ABANDONED	20
OFFICE INNOVATIONS							
UNITED STATES	970823					ABANDONED	
OFFICE PRO COLLECTION							
UNITED STATES	940766	7/22/1994	74/553,583	4/29/1997	2,057,799	REGISTERED	20
UNITED STATES	91782	8/26/1991	74/197,943			DESTROYED	20
OFFICE REVOLUTION							
UNITED STATES	000329					PROPOSED	
PORTFOLIO COLLECTION							
UNITED STATES	012192					PROPOSED	

LIST OF TRADEMARKS

Bush Industries, Inc. (TM)

Trademark Report by Mark COUNTRY	REFERENCE#	FILED	APPL#	REGDT	REG#	STATUS	CLASSES
PRESIDENTIAL COLLECTION							
UNITED STATES	891033	10/30/1989	73/834,798	6/19/1990	1,602,342	ABANDONED	20
QUIK 'N EASY							
UNITED STATES	88799	8/31/1988	749,411	5/9/1989	1,537,912	DESTROYED	6
SARATOGA COLLECTION							
UNITED STATES	920770	11/12/1992	74/330,631			DESTROYED	20
SIMPLE OFFICE SOLUTIONS							
UNITED STATES	991531	10/27/1999	75/834,815			PENDING	35
SOHO TO GO							
UNITED STATES	991532	6/29/2000	76/080,460	10/30/2001	2,501,773	REGISTERED	31,41,42
SOMERSET COLLECTION							
UNITED STATES	920633	9/28/1992	74/317,442	6/1/1993	1,774,256	DESTROYED	20
SOS							
UNITED STATES	991533	10/27/1999	75/832,696			ALLOWED	35,37,42
STUDIO PRO							
UNITED STATES	91601	7/1/1991	74/181,833			DESTROYED	20
THE ASSEMBLY & SERVICE CO. AND DESIGN							
STATE	980817			12/9/1997	n/a	REGISTERED	02
VENTURA COLLECTION							
UNITED STATES	90491	6/15/1990	74/069,662	10/29/1991	1,662,490	DESTROYED	
VINTAGE COLLECTION							
UNITED STATES	90143	2/23/1990	74/032,021	12/25/1990	1,629,204	DESTROYED	20
WEARGUARD							
UNITED STATES	951164	6/28/1995	74/695,241	7/1/1997	2,076,212	REGISTERED	6
WOODBURY COLLECTION							
UNITED STATES	971339	9/15/1997	75/357,210			ABANDONED	20
UNITED STATES	90078	2/5/1990	74/025,942	9/24/1991	1,658,678	ABANDONED	20

ASSUMPTION AGREEMENT, dated as of _____, 200__, made by _____ (the "Additional Grantor"), in favor of JPMORGAN CHASE BANK, as administrative agent (in such capacity, the "Administrative Agent") for the banks and other financial institutions or entities (the "Lenders") parties to the Credit and Guarantee Agreement referred to below. All capitalized terms not defined herein shall have the meaning ascribed to them in such Credit and Guarantee Agreement.

WITNESSETH:

WHEREAS, BUSH INDUSTRIES, INC. (the "Company"), the FOREIGN SUBSIDIARY BORROWERS (as defined therein) (together with the Company, the "Borrowers"), the Lenders and the Administrative Agent have entered into a Credit and Guarantee Agreement, dated as of June 26, 1997 (as amended, supplemented or otherwise modified from time to time, the "Credit and Guarantee Agreement");

WHEREAS, in connection with the Credit and Guarantee Agreement, the Company and certain of its Affiliates (other than the Additional Grantor) have entered into the Collateral Agreement, dated as of December 28, 2001 (as amended, supplemented or otherwise modified from time to time, the "Collateral Agreement") in favor of the Administrative Agent for the benefit of the Lenders;

WHEREAS, the Credit and Guarantee Agreement requires the Additional Grantor to become a party to the Collateral Agreement; and

WHEREAS, the Additional Grantor has agreed to execute and deliver this Assumption Agreement in order to become a party to the Collateral Agreement;

NOW, THEREFORE, IT IS AGREED:

1. Collateral Agreement. By executing and delivering this Assumption Agreement, the Additional Grantor, as provided in Section 8.14 of the Collateral Agreement, hereby becomes a party to the Collateral Agreement as a Grantor thereunder with the same force and effect as if originally named therein as a Grantor and, without limiting the generality of the foregoing, hereby expressly assumes all obligations and liabilities of a Grantor thereunder. The information set forth in Annex A-1 hereto is hereby added to the information set forth in the Schedules to the Collateral Agreement. The Additional Grantor hereby represents and warrants that each of the representations and warranties contained in Section 4 of the Collateral Agreement is true and correct on and as the date hereof (after giving effect to this Assumption Agreement) as if made on and as of such date.

2. Governing Law. **THIS ASSUMPTION AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.**

IN WITNESS WHEREOF, the undersigned has caused this Assumption Agreement to be duly executed and delivered as of the date first above written.

[ADDITIONAL GRANTOR]

By: _____

Name:

Title:

Supplement to Schedule 1

Supplement to Schedule 2

Supplement to Schedule 3

Supplement to Schedule 4

Supplement to Schedule 5

Supplement to Schedule 6