



Form PTO-1594 (Rev. 03/01) OMB No. 0651-0027 (exp. 5/31/2002)

102111819 TRADEMARKS ONLY

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

Tab settings

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

6-5-02

1. Name of conveying party(ies): GP Strategies Corporation 6-5-02
Individual(s) Association
General Partnership Limited Partnership
Corporation-State Delaware
Other
Additional name(s) of conveying party(ies) attached? Yes No

2. Name and address of receiving party(ies)
Name: Fleet National Bank, as agent
Internal
Address:
Street Address: 1185 Avenue of the Americas
City: NY State: NY Zip: 10036
Individual(s) citizenship
Association
General Partnership
Limited Partnership
Corporation-State
Other national banking association
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

3. Nature of conveyance:
Assignment Merger
Security Agreement Change of Name
Other
Execution Date: December 14, 2001

4. Application number(s) or registration number(s):
A. Trademark Application No.(s)
B. Trademark Registration No.(s) 839,778
See Schedule IV to attached security agreement.
Additional number(s) attached Yes No

5. Name and address of party to whom correspondence concerning document should be mailed:
Name: Nicole A. Raucher, Esq.
Internal Address:
Street Address: Bingham Dana LLP
399 Park Avenue
City: NY State: NY Zip: 10022

6. Total number of applications and registrations involved: 12
7. Total fee (37 CFR 3.41): \$ 315
Enclosed
Authorized to be charged to deposit account
8. Deposit account number:
(Attach duplicate copy of this page if paying by deposit account)

DO NOT USE THIS SPACE

9. Statement and signature.
To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.
John C. Sorensen Signature June 5, 2002 Date
Name of Person Signing

Total number of pages including cover sheet, attachments, and document: 46

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

06/06/2002 6TOM11 00000035 839778

01 FC:481 40.00 OP
02 FE:482 275.00 OP



Schedule IV

<u>Trademark</u>	<u>Reg. No.</u>
HYDRON	839,778
HMS HYDRO MED SCIENCES (Design)	2,103,188
HYDRON	2,337,316
HYDRON	1,396,302
HYDRON	2,547,623
GP GENERAL PHYSICS CORPORATION	1,379,725
CHASTON	1,313,053
DRUG DELIVERY SYSTEMS? PRECISELY	2,385,279
Miscellaneous Design	1,277,773
MXL	1,054,675
FOG EATER	1,049,949
Miscellaneous Design	927,290

**SECOND AMENDED AND RESTATED**  
**BORROWERS SECURITY AGREEMENT**  
**(GP Strategies Corporation/General Physics Corporation)**

SECOND AMENDED AND RESTATED SECURITY AGREEMENT, dated as of December 14, 2001, among GP STRATEGIES CORPORATION, a Delaware corporation (the "Parent") and GENERAL PHYSICS CORPORATION, a Delaware corporation ("GPC" and collectively with the Parent, the "Borrowers", and each individually, a "Borrower"), and FLEET NATIONAL BANK, as agent (hereinafter, in such capacity, together with its successors and assigns in such capacity, the "Agent") for the ratable benefit of the Lenders (as defined in the Credit Agreement referred to below), the Issuing Bank (as defined in the Credit Agreement referred to below), the Swing Line Loan Lender (as defined in the Credit Agreement referred to below) and the Rate Protection Lenders (as defined in the Credit Agreement referred to below).

WHEREAS, the Parent entered into an Amended and Restated Credit Agreement, dated as of August 31, 2000 (as amended, supplemented or otherwise modified to date, the "Existing Credit Agreement"), with General Physics Canada Ltd. ("GP Canada"), the banks and financial institutions from time to time party thereto (the "Banks") and the Agent, pursuant to which the Banks, subject to the terms and conditions contained therein, agreed to make loans and provide other credit accommodations to the Parent and GP Canada; and

WHEREAS, in connection with the Existing Credit Agreement, the Parent executed and delivered to the Agent a security agreement in substantially the form of Exhibit H-1 to the Existing Credit Agreement (the "Existing Security Agreement"); and

WHEREAS, the Parent and GPC are entering into a Second Amended and Restated Credit Agreement of even date herewith (as amended, supplemented, amended and restated, or otherwise modified to date, the "Credit Agreement"), with the banks and financial institutions from time to time party thereto (the "Lenders") and the Agent, pursuant to which the Lenders, subject to the terms and conditions contained therein, are to make loans and provide other credit accommodations to the Borrowers; and

WHEREAS, it is a condition precedent to the obligation of the Lenders to make Loans or provide other credit accommodations to the Borrowers under the Credit Agreement that the Borrowers execute and deliver to the Agent this Agreement, amending and restating the Existing Security Agreement in its entirety.

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

1. Defined Terms.

1.1. Definitions. (a) Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement, and the following terms which are defined in the Uniform Commercial Code in effect in the State of New York on the date hereof are used herein as so defined: "Certificated Security", "Chattel Paper", "Commercial Tort Claims", "Document", "Entitlement Orders", "Equipment", "Farm Products", "Fixture", "General Intangible", "Instrument", "Inventory", "Investment Property", "Issuer",

"Secured Party", "Securities Intermediary", "Security", "Security Interest", Proceeds and "Uncertificated Security". Notwithstanding anything to the contrary contained in Exhibit A and/or Exhibit B hereto and notwithstanding anything to the contrary contained in any "Confirmatory Assignment of Contract" and/or any "Notice of Assignment of Accounts Receivable as Security," unless the context clearly indicates otherwise, all references herein and in such documents to any "Lender" or the "Lenders" shall be deemed to include any Rate Protection Lender, the Rate Protection Lenders and the Swing Line Loan Lender, as the case may be.

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

"Accounts Receivable": all of the Borrowers' "Accounts" as defined in the Code and all Government Receivables and, in addition, all of the accounts, contract rights (including rights as an unpaid vendor, or lienor, including stoppage in transit, replevin and reclamation), instruments, documents, health-care insurance receivables, chattel paper, notes and drafts of the Borrowers, whether secured or unsecured, and including any right to payment which has been earned under a contract right and all inventory returned or reclaimed from Account Debtors and all rights to payment for goods sold or leased or services rendered, provided that Accounts Receivable shall not include that portion of the sum of money or other proceeds due on the accounts and other property referred to above that relate to sales, use or property taxes in conjunction with such transactions, recorded on books of account in accordance with GAAP, as to which either (a) a taxing authority now has or hereafter has a first Lien or claim under applicable law which is prior to the Agent's Lien granted by this Agreement, or (b) any officer, director, employee or shareholder of either Borrower has or would have personal liability in the event such tax was not paid by such Borrower.

"Agreement": this Second Amended and Restated Security Agreement, as the same may be amended, modified, amended and restated, or otherwise supplemented from time to time.

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

"Collateral": as defined in Section 2 of this Agreement.

"Collateral Account": any collateral account established by the Agent as provided in Section 5.3 or Section 6.6 of this Agreement

"Computer Hardware and Software Collateral" means:

(a) all computer and other electronic data processing hardware, integrated computer systems, central processing units, memory units, display terminals, printers, features, computer elements, card readers, tape drives, hard and soft disk drives, cables, electrical supply hardware, generators, power equalizers, accessories and all peripheral devices and other related computer hardware;

(b) all software programs (including both source code, object code and all related applications and data files), whether now owned, licensed or leased or hereafter acquired by any Borrower, designed for use on the computers and electronic data processing hardware described in clause (a) above;

(c) all firmware associated therewith;

(d) all documentation (including flow charts, logic diagrams, manuals, guides and specifications) with respect to such hardware, software and firmware described in the preceding clauses (a) through (c); and

(e) all rights with respect to all of the foregoing, including any and all copyrights, licenses, options, warranties, service contracts, program services, test rights, maintenance rights, support rights, improvement rights, renewal rights and indemnifications and any substitutions, replacements, additions or model conversions of any of the foregoing.

"Copyright Collateral" means all copyrights of each Borrower, whether statutory or common law, registered or unregistered, now or hereafter in force in the United States including all of such Borrower's right, title and interest in and to all copyrights registered in the United States Copyright Office and also including the copyrights referred to in Item A Schedule IV attached hereto, and all applications for registration thereof, whether pending or in preparation, all copyright licenses in the United States, including each copyright license referred to in Item B of Schedule IV attached hereto, the right to sue for past, present and future infringements of any thereof, all rights corresponding thereto, all extensions and renewals of any thereof and all proceeds of the foregoing, including licenses, royalties, income, payments, claims, damages and proceeds of suit.

"Equity Interest": (i) with respect to a corporation, the capital stock thereof, (ii) with respect to a partnership, a partnership interest therein, all rights of a partner in such partnership, whether arising under the partnership agreement of such partnership or otherwise; (iii) with respect to a limited liability company, a membership interest therein, all rights of a member of such limited liability company, whether arising under the limited liability company agreement of such limited liability company or otherwise; (iv) with respect to any other firm, association, trust, business enterprise or other entity which is similar to any other Person listed in clauses (i), (ii) and (iii), and this clause (iv), of this definition, any equity interest therein, any interest therein which entitles the holder thereof to share in the revenue, income, earnings or losses thereof or to vote or otherwise participate in any election of one or more members of the Managing Person thereof, and (v) all warrants and options in respect of any of the foregoing and all other securities which are convertible into any of the foregoing or exchangeable therefor.

"Event of Default": As defined in Section 6.1.

"Government Receivables": All rights of the Borrowers to moneys due or to become due under any contracts or agreements with or orders from the United States government or any agency or department thereof.

"Intellectual Property Collateral" means, collectively, the Computer Hardware and Software Collateral, the Copyright Collateral, the Patent Collateral, the Trademark Collateral and the Trade Secrets Collateral.

"Inventory": All inventory of every type and description, whether raw materials, in process or finished, and all documents and documents of title covering any of the foregoing, wherever located, and including, without limitation, "inventory" as defined in the Uniform Commercial Code of any applicable or relevant jurisdiction.

"Patent Collateral" means:

(a) all letters patent and applications for letters patent in the United States, including all patent applications in preparation for filing in the United States and including each patent and patent application referred to in Item C of Schedule IV attached hereto;

(b) all reissues, divisions, continuations, continuations-in-part, extensions, renewals and reexaminations of any of the items described in clause (a);

(c) all patent licenses in the United States, including each patent license referred to in Item D of Schedule IV attached hereto; and

(d) all proceeds of, and rights associated with, the foregoing (including license royalties and proceeds of infringement suits), the right to sue third parties for past, present or future infringements of any patent or patent application, referred to in clauses (a) or (b) above, and for breach or enforcement of any patent license referred to in clause (c) above.

“Proceeds”: as defined in the Code, together with all dividends, distributions and income on and in respect of all of the Securities and Instruments and all other rights and benefits in respect thereof.

“Subordinated Notes”: the 6% Convertible Exchangeable Subordinated Notes due June 30, 2003 of the Parent issued pursuant to the Subordinated Note Purchase Agreement.

“Trademark Collateral” means:

(a) all trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, certification marks, collective marks, logos, other source of business identifiers, prints and labels on which any of the foregoing have appeared or appear, designs and general intangibles of a like nature (all of the foregoing items in this clause (a) being collectively called a “Trademark”), now existing anywhere in the United States or hereafter adopted or acquired in the United States, whether currently in use or not, all registrations and recordings thereof and all applications in connection therewith, whether pending or in preparation for filing, including registrations, recordings and applications in the United States Patent and Trademark Office or in any office or agency of the United States of America or any State, including those referred to in Item E of Schedule IV attached hereto;

(b) all Trademark licenses in the United States, including each Trademark license referred to in Item F of Schedule IV attached hereto;

(c) all reissues, extensions or renewals of any of the items described in clause (a) and (b);

(d) all of the goodwill of the business connected with the use of, and symbolized by the items described in, clauses (a) and (b); and

(e) all proceeds of, and rights associated with, the foregoing, including any claim by any Borrower against third parties for past, present or future infringement or dilution of any Trademark, Trademark registration or Trademark license, including any Trademark, Trademark registration or Trademark license referred to in clauses (a) through (c) above, or for any injury to the goodwill associated with the use of any such Trademark or for breach or enforcement of such Trademark license.

"Trade Secrets Collateral" means all common law and statutory trade secrets and all other confidential or proprietary or useful information and all know-how obtained by or used in or contemplated at any time for use in the business of any Borrower (all of the foregoing being collectively called a "Trade Secret"), whether or not such Trade Secret has been reduced to a writing or other tangible form, including all documents and things embodying, incorporating or referring in any way to such Trade Secret, all Trade Secret licenses, including each Trade Secret license referred to in Item G of Schedule IV attached hereto, and including the right to sue for and to enjoin and to collect damages for the actual or threatened misappropriation of any Trade Secret and for the breach or enforcement of any such Trade Secret license.

"UCC": with respect to any jurisdiction, Articles 1, 8 and 9 of the Uniform Commercial Code as from time to time in effect in such jurisdiction.

1.2. Other Definitional Provisions. (a) The words "hereof," "herein" 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 paragraph 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.

2. Grant of Security Interest. As collateral security for the prompt and complete payment and performance when due (whether at the stated maturity, by acceleration or otherwise) of the Obligations, including, without limitation, the obligation to deposit cash collateral and all other indebtedness, liabilities or obligations now existing or hereafter arising under the Credit Agreement and the Loan Documents, the Borrowers hereby grant to the Agent, for the ratable benefit of the Lenders, the Issuing Bank, the Swing Line Loan Lender, the Rate Protection Lenders and the Agent, a security interest in all of the following property now owned or at any time hereafter acquired by the Borrowers or in which the Borrowers now have or at any time in the future may acquire any right, title or interest (collectively, the "Collateral"):

- (a) all Accounts Receivable;
- (b) all Inventory;
- (c) all Chattel Paper (whether tangible or electronic);
- (d) all Documents;
- (e) all General Intangibles;
- (f) all Instruments (including, without limitation, promissory notes and Instruments evidencing owing to the Borrowers from its affiliates and/or subsidiaries);
- (g) all letters of credit (whether or not the letter of credit is evidenced by a writing);
- (h) all Equity Interests representing (x) all of the issued and outstanding Capital Stock of each present and future Material Subsidiary that is a Domestic Subsidiary owned by the Parent and (y) 65% of all the issued and outstanding Capital Stock of each present and future Foreign



Subsidiary (and 100% for Foreign Subsidiaries with Check-the-Box Status, including GP (UK)) owned by the Parent, whether or not evidenced by a Security;

- (i) all Commercial Tort Claims;
- (j) all Equipment;
- (k) all Fixtures;
- (l) all Investment Property;
- (m) all books and records pertaining to the Collateral, including, without limitation, all accounting information, customer lists, credit files, and all media in which or on which any such information is stored or contained, and all computer software and programs used for the compilation or printout of such information;
- (n) All Intercompany Demand Loan Documents;
- (o) all Intellectual Property Collateral; and
- (p) to the extent not otherwise included, all additions and accessions to the foregoing, all substitutions therefor and replacements thereof, and all Proceeds and products of any and all of the foregoing.

3. Representations and Warranties. Each Borrower hereby represents and warrants that:

3.1. Title; No Other Liens. Except for the first priority security interest granted to the Agent pursuant to this Agreement, each Borrower owns or, to the extent the Collateral is to be acquired after the date hereof, will own, each item of the Collateral free and clear of any and all Liens or claims of others, except for Permitted Liens. No security agreement, 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 Agent (and those filed in favor of Fleet for which UCC-3 assignment statements have been delivered to the Agent).

3.2. Perfected First Priority Lien. Upon the filing of the UCC-1 financing statements delivered to the Agent pursuant to the Credit Agreement in the filing locations listed in Schedule II hereto, the security interests granted pursuant to this Agreement shall (a) constitute perfected first priority security interests in the Collateral in favor of the Agent, except that perfection of security interests in (i) Instruments, (ii) letters of credit, (iii) Investment Property consisting of certificated securities and (iv) Equity Interests consisting of certificated securities may require delivery of such Instruments, letters of credit and certificated securities to the Agent, (b) be prior to all other Liens on the Collateral in existence on the date hereof (other than Permitted Liens) and (c) be enforceable as such against all creditors of and purchasers from the Borrowers, except, in the case of Inventory, as provided in Section 9-320(a) of the Code and, in the case of Investment Property, the actions required by Section 4.9 hereof may be required, and except as such enforceability may be limited by (i) bankruptcy, insolvency, reorganization, fraudulent conveyance, marshalling, moratorium or other similar laws affecting the enforcement generally of the rights and remedies of creditors, and (ii) general principles of equity (regardless of whether such enforcement is considered in a proceeding

at law or in equity), including, without limitation, the discretion of any court of competent jurisdiction in granting specific performance or injunctive or other equitable relief.

3.3. Chief Executive Office, etc. Each Borrower's chief executive office and chief place of business is located at the location provided next to its signature below. Each place where any Collateral of the Borrowers are located and each other place of business of the Borrowers on the date hereof is set forth on Schedule II hereto. The names under which each Borrower transacts business, as of the date hereof, are listed in Schedule II hereto, and except as set forth in Schedule II hereto, neither Borrower has, within the six-year period immediately preceding the date of this Agreement, used any name, been the surviving entity of a merger or consolidation or acquired all or substantially all of the assets of any Person.

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

3.5. Chattel Paper and Instruments. In the ordinary course of business of the Borrowers, the Accounts Receivable are not evidenced by and do not constitute Chattel Paper or Instruments.

3.6. No Claims, etc. The Agent's rights with respect to the Collateral are not subject to any setoff, claims, withholdings or other defenses (other than those that could not, singly or in the aggregate, be reasonably expected to have a Material Adverse Effect).

3.7. Equity Interests. As of the Effective Date, a) the Equity Interests listed on Schedule III constitute all of the Equity Interests in each Material Subsidiary and Foreign Subsidiary in which the Borrowers have any right, title or interest, and each such Equity Interest issued by a corporate Issuer has been duly authorized, validly issued and fully paid for, and is non-assessable and b) except as set forth in such Schedule III (1) no Material Subsidiary or Foreign Subsidiary of the Borrowers have issued any securities convertible into, or options or warrants for, any common or preferred equity securities thereof, (2) there are no agreements, voting trusts or understandings binding upon the Borrowers or any of its Material Subsidiaries or Foreign Subsidiaries with respect to the voting securities of any such Subsidiary or affecting in any manner the sale, pledge, assignment or other disposition thereof, including any right of first refusal, option, redemption, call or other right with respect thereto, whether similar or dissimilar to any of the foregoing and (3) no such Equity Interest is represented by an Uncertificated Security.

3.8. Intellectual Property Collateral. With respect to any Intellectual Property Collateral owned by such Borrower the loss, impairment or infringement of which could have a Material Adverse Effect:

(a) such Intellectual Property Collateral is subsisting and has not been adjudged invalid or unenforceable, in whole or in part;

(b) such Intellectual Property Collateral is valid and enforceable;

(c) such Borrower has made all necessary filings and recordations to protect its interest in such Intellectual Property Collateral, including (if permissible) recordations of all of its interests in the Patent Collateral and Trademark Collateral in the United States Patent and Trademark Office and its claims to the Copyright Collateral in the United States Copyright Office;

(d) such Borrower is the exclusive owner of the entire and unencumbered right, title and interest in and to such Intellectual Property Collateral and no claim has been made that the use of such Intellectual Property Collateral does or may violate the asserted rights of any third party which could reasonably be expected to have a Material Adverse Effect (except for (i) Liens created under the Loan Documents, and (ii) Permitted Liens and except for rights of licensees under licenses of such Intellectual Property Collateral in the ordinary course of business); and

(e) with respect to any Intellectual Property Collateral that has been registered, such Borrower has performed and will continue to perform all acts and has paid and will continue to pay all required fees and Taxes to maintain each and every such item of Intellectual Property Collateral in full force and effect in the United States.

Such Borrower owns directly or is entitled to use by license or otherwise, all patents, Trademarks, Trade Secrets, copyrights, licenses, technology, know-how, processes and rights with respect to any of the foregoing necessary for or of importance to the conduct of such Borrower's business as currently conducted.

4. Covenants. Each Borrower covenants and agrees with the Agent that, from and after the date of this Agreement until this Agreement is permanently terminated and the Obligations are paid in cash in full and the security interests created hereby are released:

4.1. Delivery of Instruments and Chattel Paper. If any amount payable under or in connection with any of the Collateral shall be or become evidenced by any Instrument, letter of credit or Chattel Paper, such Instrument, letter of credit or Chattel Paper shall be immediately delivered to the Agent, duly indorsed (in the case of Instruments and Chattel Paper) in a manner satisfactory to the Agent, to be held as Collateral pursuant to this Agreement, provided, that, no such Instrument, letter of credit or Chattel Paper need be delivered to the Agent if such Instrument, letter of credit or Chattel Paper constitutes or evidences less than \$50,000, in the aggregate, of amounts payable under or in connection with any of the Collateral. If no Default or Event of Default shall have occurred and be continuing, the Agent shall promptly, upon request of a Obligor, deliver to such Obligor any letter of credit previously delivered to the Agent pursuant to this Section 4.1 to the extent the Obligor requires possession of such letter of credit to make a drawing thereunder within seven days after the Obligor's request.

4.2. Marking of Records. Each Borrower will mark its books and records pertaining to the Collateral to evidence this Agreement and the security interests created hereby.

4.3. Special Provisions Concerning Equipment. Each Borrower will do nothing to impair the rights of the Agent in the Equipment. Each Borrower shall cause the Equipment to at all times constitute and remain personal property. Each Borrower will at all times keep all Equipment which is not subject to a Permitted Lien in favor of a lessor of such Equipment insured in favor of the Agent, at the expense of such Borrower, in accordance with the Credit Agreement. If such Borrower shall fail so to insure the Equipment, or if such Borrower shall fail so to endorse and deposit all policies or certificates with respect thereto, the Agent shall have the right (but shall be under no obligation) to procure such insurance and such Borrower agrees to reimburse the Agent for all costs and expenses of procuring such insurance, together with interest at a rate per annum equal to the Alternate Base Rate plus the Applicable Margin applicable to ABR Advances plus 2%. The Agent shall use reasonable commercial efforts to give such Borrower prior notice of its intention to procure such insurance, but the failure of the Agent so to notify such Borrower shall not negate or diminish the

obligation of such Borrower to reimburse the Agent for all costs and expenses of procuring such insurance. Proceeds of such insurance shall be applied in accordance with Section 7.5(b) of the Credit Agreement (Insurance Covering Collateral). Each Borrower retains all liability and responsibility in connection with the Equipment and the liability of such Borrower to pay the Obligations shall in no way be affected or diminished by reason of the fact that such Equipment may be lost, destroyed, stolen, damaged or for any reason whatsoever unavailable to such Borrower.

4.4. Maintenance of Perfected Security Interest; Further Documentation.

(a) Except for Permitted Liens, each Borrower shall maintain the security interest created by this Agreement as a first, perfected security interest, shall not permit to exist any Lien or claim against or on the Collateral and shall defend such security interest against claims and demands of all Persons whomsoever.

(b) At any time and from time to time, upon the written request of the Agent, and at the sole expense of each Borrower, such Borrower will promptly and duly execute and deliver such further instruments and documents and take such further action as the 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, the filing of any financing or continuation statements under the UCC in effect in any jurisdiction with respect to the security interests created hereby.

4.5. Changes in Locations, Name, etc. No Borrower will:

(a) change the location of its chief executive office and chief place of business from that specified in Section 3.3 or have any place of business or Collateral at a location other than as set forth in Schedule II hereto, unless it shall have given the Agent at least 30 days prior written notice of such change or location.

(b) change its name, identity or corporate structure to such an extent that any financing statement filed by the Agent in connection with this Agreement would become seriously misleading, unless it shall have given the Agent at least 30 days' prior written notice of such change.

(c) use any business or trade name except its corporate name and those set forth in Schedule II hereto, unless it shall have given the Agent at least 30 days' prior written notice of such name.

4.6. Further Identification of Collateral. Each Borrower will furnish to the Agent from time to time statements and schedules further identifying and describing the Collateral and such other reports in connection with the Collateral as the Agent or Required Lenders may reasonably request, all in reasonable detail.

4.7. Notices. Each Borrower will advise the Agent promptly, in reasonable detail, at its address set forth in the Credit Agreement of:

(a) any Lien of which such Borrower is aware (other than security interests created hereby) on, or claim asserted against, any of the Collateral; and

(b) 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.

4.8. Indemnification. Each Borrower agrees to pay, and to save the Agent, the Issuing Bank, the Swing Line Loan Lender, the Rate Protection Lenders and the Lenders harmless from, any and all liabilities, costs and expenses (including, without limitation, reasonable legal fees and out-of-pocket expenses) (1) with respect to, or resulting from any delay in paying, any and all excise, sales or other taxes which may be payable or determined to be payable with respect to any of the Collateral, (2) with respect to, or resulting from, any delay in complying with any statute, rule, regulation, interpretation or order of any governmental or regulatory authority with respect to any of the Collateral and (3) in connection with any of the transactions contemplated by this Agreement.

4.9. Uncertificated Securities; Investment Property. Each Borrower shall, in order to confer "control" (i) in accordance with Section 8-106(d)(2) of the Code, cause each Person which is a Securities Intermediary with respect to any Investment Property constituting part of the Collateral to enter into an agreement satisfactory in form and substance to the Agent pursuant to which such Securities Intermediary shall agree to comply with Entitlement Orders originated by the Agent without the further consent of such Borrower and (ii) in accordance with Section 8-106(c)(2) of the Code, cause each Person which is an Issuer of an Uncertificated Security constituting part of the Collateral to agree in a writing in the form of Exhibit C hereto for the benefit of the Agent that it will comply with instructions originated by the Agent without further consent of such Borrower. Each Certificated Security representing an Equity Interest in a Person which is or shall become a Material Subsidiary or Foreign Subsidiary of the Parent shall be promptly delivered to the Agent, to be held by the Agent pursuant hereto, in suitable form for transfer by delivery or accompanied by duly executed documents of transfer or assignment in blank, all in form and substance satisfactory to the Agent. Each Borrower agrees that until so delivered, each such Certificated Security shall be held by such Borrower in trust for the benefit of the Agent and be segregated from the other Property of such Borrower.

## 5. Provisions Relating to Accounts Receivable and Inventory

5.1. Borrowers Remain Liable under Accounts Receivable, etc. Anything herein to the contrary notwithstanding, each Borrower shall remain liable under each of the Accounts Receivable and all of its other contracts and agreements relating to any 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 to each such Account Receivable or any other such contract or agreement relating to any Collateral. The Agent shall not have any obligation or liability under any Account Receivable (or any agreement giving rise thereto) or any other such contract or agreement relating to any Collateral by reason of or arising out of this Agreement or the receipt by the Agent of any payment relating to such Account Receivable or any other such contract or agreement relating to any Collateral pursuant hereto, nor shall the Agent be obligated in any manner to perform any of the obligations of the Borrowers under or pursuant to any Account Receivable (or any agreement giving rise thereto) or any other such contract or agreement relating to any Collateral, 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 under any Account Receivable (or any agreement giving rise thereto) or any other such contract or agreement relating to any Collateral, 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.

5.2. Analysis of Accounts Receivable. At all reasonable times upon reasonable prior notice and during normal business hours, the Agent may conduct audits of the Accounts Receivable (including verification with respect to the amount, aging, identity and credit of the respective account debtors and the billing practices of each Borrower) in any manner and through any medium that it reasonably considers advisable, and such Borrower shall furnish all such assistance and

information as the Agent may require in connection with such audits. All such Agent audits shall be conducted by the Agent and made at the expense of such Borrower; provided, that such Borrower shall bear the expense of such audits only to the extent provided in Section 7.9 of the Credit Agreement. At the request of the Agent, but no more frequently than annually, each Borrower will engage its accountants to verify with account debtors on the Accounts Receivable to the Agent's satisfaction the existence, amount and terms of any Accounts Receivable; provided, that if a Default or an Event of Default has occurred and is continuing, the Agent, at any time and from time to time, in its own name or in the name of others may communicate with account debtors on the Accounts Receivable to verify with them to the Agent's satisfaction the existence, amount and terms of any Accounts Receivable.

5.3. Collections on Accounts Receivable, etc. (a) The Agent hereby authorizes each Borrower to collect the Accounts Receivable and other payments in respect of any Collateral sold, transferred, leased or otherwise disposed of, to the extent permitted by the Credit Agreement, and the 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 Agent at any time after the occurrence and during the continuance of an Event of Default, any payments of Accounts Receivable and such other payments, when collected by such Borrower, (1) shall be forthwith (and, in any event, within two Business Days) deposited by such Borrower in the exact form received, duly indorsed by such Borrower to the Agent if required, in a Collateral Account maintained under the sole dominion and control of the Agent, subject to withdrawal by the Agent only as provided in Section 6.7, and (2) until so turned over, shall be held by such Borrower in trust for the Agent, segregated from other funds of such Borrower.

(b) Each such deposit of Proceeds of Accounts Receivable and other payments shall be accompanied by a report identifying in reasonable detail the nature and source of the payments included in the deposit.

(c) At the Agent's request and after the occurrence and during the continuance of a Default or an Event of Default, each Borrower shall deliver to the Agent all original and other documents evidencing, and relating to, the agreements and transactions which gave rise to the Accounts Receivable, including, without limitation, all original orders, invoices and shipping receipts.

(d) Each Borrower will promptly notify the Agent in writing of the return or rejection of any goods represented by any Accounts Receivable, contract rights or General Intangibles and such Borrower shall forthwith account therefor to the Agent in cash without demand or notice and until such payment has been received by the Agent, such Borrower will receive and hold all such goods separate and apart, in trust for and subject to the security interest in favor of the Agent, and the Agent is authorized to sell after the occurrence and during the continuance of an Event of Default, for such Borrower's account and at such Borrower's sole risk, all or any part of such goods.

5.4. Government Receivables. Each Borrower agrees that it shall execute all such documents, and take all such actions, as the Agent or the Required Lenders shall determine to be necessary or appropriate from time to time under the Federal Assignment of Claims Act of 1940, as amended, in order to confirm and assure to the Agent its rights under this Agreement with respect to any and all Government Receivables. Without limiting the generality of the foregoing, each Borrower agrees that simultaneously with the execution and delivery of this Agreement it shall execute and deliver to the Agent a confirmed assignment substantially in the form of Exhibit A attached hereto (a "Confirmatory Assignment") with respect to each Government Receivable existing on the date hereof, and within ten (10) Business Days after the creation of any such new Government Receivable, such Borrower shall execute and deliver to the Agent a Confirmatory Assignment with respect thereto. Each Borrower hereby

irrevocably authorizes the Agent, or its designee, as such Borrower's expense, to file with the United States government (or the appropriate agency or instrumentality thereof) a notice of each assignment of a Government Receivable substantially in the form of Exhibit B attached hereto (a "Notice of Assignment"), to which a copy of the relevant Confirmatory Assignment may be attached, and appoints the Agent as such Borrower's attorney-in-fact to execute and file any such Confirmatory Assignments, Notices of Assignment and any ancillary documents relating thereto. Each Borrower hereby agrees that it shall provide the Agent with all of the information necessary to complete a Notice of Assignment with respect thereto. Set forth on Schedule I attached hereto is a list of all of the Government Receivables existing on the date hereof and all of the information necessary to complete a Confirmatory Assignment and Notice of Assignment for each Government Receivable existing on the date hereof.

5.5. As to Intellectual Property Collateral. Each Borrower covenants and agrees to comply with the following provisions as such provisions relate to any Intellectual Property Collateral of such Borrower:

(a) such Borrower will not (i) do any act, or omit to do any act, whereby any of the Patent Collateral may lapse or become abandoned or dedicated to the public or unenforceable, (ii) permit any of its licensees to, (A) fail to continue to use any of the Trademark Collateral in order to maintain all of the Trademark Collateral in full force free from any claim of abandonment for non-use, (B) fail to maintain as in the past the quality of products and services offered under all of the Trademark Collateral, (C) fail to employ all of the Trademark Collateral registered with any Federal or State authority with an appropriate notice of such registration, (D) adopt or use any other Trademark which is confusingly similar or a colorable imitation of any of the Trademark Collateral, (E) use any of the Trademark Collateral registered with any Federal or State authority except for the uses for which registration or application for registration of all of the Trademark Collateral has been made, or (F) do or permit any act or knowingly omit to do any act whereby any of the Trademark Collateral may lapse or become invalid or unenforceable or (iii) do or permit any act or knowingly omit to do any act whereby any of the Copyright Collateral or any of the Trade Secrets Collateral may lapse or become invalid or unenforceable or placed in the public domain except upon expiration of the end of an unrenovable term of a registration thereof, unless such Borrower shall either (x) reasonably and in good faith determine (and notice of such determination shall have been delivered to the Agent) that any of the Intellectual Property Collateral is not of material economic value to such Borrower, or (y) in the exercise of its reasonable business judgment determines to do otherwise;

(b) such Borrower shall notify the Agent promptly if it knows, or has reason to know, that any application or registration relating to any material item of the Intellectual Property Collateral may become abandoned or dedicated to the public or placed in the public domain or invalid or unenforceable, or of any adverse determination or development (including the institution of, or any such determination or development in, any proceeding in the United States Patent and Trademark Office, the United States Copyright Office or any U.S. court) regarding such Borrower's ownership of any material item of the Intellectual Property Collateral, its right to register the same or to keep and maintain and enforce the same;

(c) in no event will such Borrower or any of its agents, employees, designees or licensees file an application for the registration of any Intellectual Property Collateral with the United States Patent and Trademark Office or the United States Copyright Office, unless it promptly informs the Agent, and upon request of the Agent, executes and delivers any and all agreements, instruments, documents and papers as the Agent may reasonably request to evidence the Agent's security interest in such Intellectual Property Collateral and the goodwill and general intangibles of such Borrower relating thereto or represented thereby;

(d) unless such Borrower shall otherwise determine in the exercise of its reasonable business judgment, such Borrower will take all necessary steps, including in any proceeding before the United States Patent and Trademark Office or the United States Copyright Office, to maintain and pursue any application (and to obtain the relevant registration) filed with respect to, and to maintain any registration of, any material item of the Intellectual Property Collateral, including the filing of applications for renewal, affidavits of use, affidavits of incontestability and opposition, interference and cancellation proceedings and the payment of fees and Taxes (except to the extent that dedication, abandonment or invalidation is permitted under the foregoing clauses (a), (b) and (c)); and

(e) such Borrower will execute and deliver to the Agent any document required to acknowledge or register or perfect the Agent's interest in any material item of the Intellectual Property Collateral.

5.6. Representations and Warranties. (a) Except as permitted pursuant to this Agreement, no amount payable to the Borrowers under or in connection with any Account Receivable is evidenced by any Instrument or Chattel Paper which has not been delivered to the Agent.

(b) The place where the Parent keeps its records concerning the Accounts Receivable is in New York, New York. The place where GPC keeps its records concerning the Accounts Receivable is in Columbia, Maryland.

5.7. Covenants. (a) The amount represented by each Borrower to the Agent from time to time as owing by each account debtor or by all account debtors in respect of the Accounts Receivable will at such time be the correct amount actually owing by such account debtor or debtors thereunder.

(b) Other than in the ordinary course of business as generally conducted by such Borrower over a period of time, each Borrower will not grant any extension of the time of payment of any of the Accounts Receivable, compromise, compound or settle the same for less than the full amount thereof, release, wholly or partially, any Person liable for the payment thereof, or allow any credit or discount whatsoever thereon.

(c) Each Borrower will not remove its books and records from the location specified in Section 5.5(b), without providing 30 days' prior written notice to the Agent.

(d) In any suit, proceeding or action brought by the Agent under any Account Receivable for any sum owing thereunder (which suits, proceedings or actions may be brought by the Agent only after the occurrence and during the continuance of any Event of Default), each Borrower will save, indemnify and keep the Agent harmless from and against all expense, loss or damage suffered by reason of any defense, setoff, counterclaim, recoupment or reduction of liability whatsoever of the account debtor thereunder, arising out of a breach by such Borrower of any obligation thereunder or arising out of any other agreement, indebtedness or liability at any time owing to or in favor of such account debtor or its successors from such Borrower.

5.8. Fair Labor Standards Act. Each Borrower represents and warrants that it is in compliance with the provisions of the Fair Labor Standards Act, including, without limitation, the minimum wage and overtime rules of that Act, and covenants that such Borrower will continue to comply with the provisions of such Act.



5.9. Insurance. Each Borrower shall deliver to the Agent copies of, or certificates of the issuing Borrowers with respect to, and endorsements of any and all policies of insurance owned by such Borrower covering or in any manner relating to the Collateral, in form and substance satisfactory to the Required Lenders, naming the Agent as an additional loss payee (with respect to property insurance) or an additional insured party (with respect to liability insurance) as its interest may appear and indicating that the policy will not be terminated, or reduced in coverage or amount, without at least ten (10) days' prior written notice from the insurer to the Agent. As further security for the due payment and performance of the Obligations, each Borrower hereby assigns to the Agent for the ratable benefit of the Lenders, the Issuing Bank, the Swing Line Loan Lender, the Rate Protection Lenders and the Agent all sums, including returned or unearned premiums, that may become payable under or in respect of any policy of insurance owned by each Borrower covering or in any manner relating to the Collateral, and such Borrower hereby directs each insurance company issuing any such policy to make payment of such sums directly to the Agent. Each Borrower hereby appoints the Agent as such Borrower's attorney-in-fact and authorizes the Agent in such Borrower's or in the Agent's name, upon the occurrence and during the continuance of an Event of Default, to endorse any check or draft representing any such payment and to execute any proof of claim, subrogation receipt and any other document required by such insurance company as a condition to or otherwise in connection with such payment, and to cancel, assign or surrender any such policies. All such sums received by the Agent shall be applied by the Agent to the satisfaction of the Obligations or in the sole discretion of the Agent, to the extent that such sums represent unearned premiums in respect of any policy of insurance on the Collateral refunded by reason of cancellation, toward payment for similar insurance protecting the respective interests of each Borrower and the Agent, or as otherwise required by applicable law and to the extent not so applied shall be paid over to such Borrower.

6. Events of Default; Remedies.

6.1. Events of Default. It shall be an "Event of Default" hereunder upon the occurrence and continuance of an Event of Default under, and as such term is defined in, the Credit Agreement.

6.2. Equity Interests. (a) Each Borrower acknowledges and agrees that the Agent may elect, with respect to the offer or sale of any or all of the Equity Interests constituting the Collateral, to conduct such offer and sale in such a manner as to avoid the need for registration or qualification of such Equity Interests or the offer and sale thereof under any Federal or state securities laws and that the Agent is authorized to comply with any limitation or restriction in connection with such sale as counsel may advise the Agent is reasonably necessary (A) in order to (i) avoid any violation of applicable law, (ii) ensure compliance with such procedures as may restrict the number of prospective bidders and purchasers, (iii) fulfill any requirement that such prospective bidders and purchasers have certain qualifications, and (iv) restrict such prospective bidders and purchasers to Persons who will represent and agree that they are purchasing for their own account for investment and not with a view to the distribution or resale of such Equity Interests, or (B) in order to obtain any required approval of the sale or of the purchaser by any Governmental Authority. Each Borrower further acknowledges and agrees that any such transaction may be at prices and on terms less favorable than those which may be obtained through a public sale and not subject to such restrictions and agrees that, notwithstanding the foregoing, the Agent is under no obligation to conduct any such public sale and may elect to impose any or all of the foregoing restrictions, or any other restrictions which may be reasonably necessary in order to avoid any such registration or qualification, at its sole discretion or with the consent or at the direction of the Required Lenders, and that any such offer and sale so conducted shall be deemed to have been made in a commercially reasonable manner.

(b) To the extent permitted by law, each Borrower hereby expressly waives and covenants not to assert any appraisalment, valuation, stay, extension, redemption or similar laws, now or at any time hereafter in force, which might delay, prevent or otherwise impede the performance or enforcement of this Agreement.

6.3. Voting. Notwithstanding anything to the contrary contained in this Agreement, each Borrower shall have the right to vote all Securities constituting Collateral and receive and retain all dividends and distributions thereon until such time, if any, as an Event of Default shall have occurred and be continuing and the Agent shall have notified such Borrower that the Agent shall have elected to terminate the rights of such Borrower under this Section 6.3, at which time the Agent shall then be vested with the right to vote all Securities constituting the Collateral and receive and retain all dividends and distributions thereon, until such time as such Event of Default is cured or waived.

6.4. Repayment in Bankruptcy, etc. If, at any time or times subsequent to the payment of all or any part of the Obligations, the Agent, the Issuing Bank, the Swing Line Loan Lender, any Rate Protection Lender or any Lender shall be required to repay any amounts previously paid by or on behalf of any Obligor in reduction thereof by virtue of an order of any court having jurisdiction in the premises, as a result of an adjudication that such amounts constituted preferential payments or fraudulent conveyances, each Borrower unconditionally agrees to pay to the Agent within 10 days after demand a sum in cash equal to the amount of such repayment, together with interest on such amount from the date of such repayment by the Agent, the Issuing Bank, such Rate Protection Lender or such Lender, as the case may be, to the date of payment to the Agent at the applicable post-maturity rate set forth in the Credit Agreement.

6.5. Notice to Account Debtors. Upon the request of the Agent at any time after the occurrence and during the continuance of an Event of Default, each Borrower shall (a) notify account debtors on the Accounts Receivable (other than Government Receivables) and obligors on General Intangibles which constitute Collateral that the Accounts Receivable and General Intangibles which constitute Collateral have been assigned to the Agent and that payments in respect thereof shall be made directly to the Agent and (b) with respect to Government Receivables, comply with the applicable provisions of Section 5.4 hereof.

6.6. Proceeds to be Turned Over To Agent. In addition to the rights of the Agent specified in Section 5.3 with respect to payments of Accounts Receivable, if an Event of Default shall occur and be continuing all Proceeds received by each Borrower consisting of cash, checks and other near-cash items shall be held by such Borrower in trust for the Agent segregated from other funds of such Borrower, and shall, forthwith upon receipt by such Borrower, be turned over to the Agent in the exact form received by such Borrower (duly indorsed by such Borrower to the Agent, if required) and held by the Agent in a Collateral Account maintained under the sole dominion and control of the Agent. All Proceeds while held by the Agent in a Collateral Account (or by such Borrower in trust for the Agent) shall continue to be held as collateral security for all the Obligations and shall not constitute payment thereof until applied as provided in Section 6.7.

6.7. Application of Proceeds. (a) At such intervals as may be agreed upon by each Borrower and the Agent, or, if a Default or an Event of Default shall have occurred and be continuing, at any time at the Agent's election, the Agent may apply all or any part of Proceeds held in any Collateral Account in payment of the Obligations in such order as the Agent may elect, and any part of such funds which the Agent, in its sole discretion, 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 Agent to such Borrower 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 cash in full, all Letters of Credit shall have expired, all sums payable under the Credit Agreement shall have been paid in full and the Commitments shall have been terminated shall be paid over to each Borrower or to whomsoever may be lawfully entitled to receive the same.

6.8. Code Remedies. If an Event of Default shall occur and be continuing, the Agent may exercise, in addition to all other rights and remedies granted to it in this Agreement and in any other Loan Document, all rights and remedies of a secured party under the Code. Without limiting the generality of the foregoing, the 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 the Borrowers or any other Person (all and each of which demands, defenses, advertisements and notices are hereby waived), may in such circumstances (a) by any available procedure or without judicial process, take possession of any or all Collateral and without liability for trespass, enter any premises where any Collateral may be located for the purposes of taking possession or removing the Collateral and (b) forthwith collect, receive, appropriate and realize upon the Collateral, or any part thereof, and/or may forthwith sell, lease, assign, give an 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), whether in its then condition or after further preparation or processing, in one or more parcels at public or private sale or sales, at any exchange, broker's board or office of the Agent 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; and, if any Collateral shall require rebuilding, repairing, maintenance, preparation, or is in process or other unfinished state, the Agent shall have the right, at its option, to do such rebuilding, repairing, preparation, processing or completion of manufacturing, for the purpose of putting the Collateral in such saleable or disposable form as it shall deem appropriate. At the Agent's request, after the occurrence and during the continuance of an Event of Default, each Borrower shall assemble the Collateral and make it available to the Agent at places that the Agent shall select, whether at such Borrower's premises or elsewhere, and make available to the Agent, without rent, all of such Borrower's premises and facilities for the purpose of the Agent's taking possession of, removing or putting the Collateral in saleable or disposable form. The Agent shall have the right upon any such public sale or sales, and, to the extent permitted by law, upon any such private sale or sales, to purchase the whole or any part of the Collateral so sold, free of any right or equity of redemption in the Borrowers, which right or equity is hereby waived or released. The Agent shall apply the net proceeds of any such collection, recovery, receipt, appropriation, realization or sale, after deducting all reasonable costs and expenses of every kind incurred therein 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 Agent hereunder, including, without limitation, reasonable attorneys' fees and disbursements, to the payment in whole or in part of, or as cash collateral for, the Obligations, in such order as the Agent may elect, and only after such application and after the payment by the Agent of any other amount required by any provision of law, including, without limitation, Sections 9-608(a)(1)(c) and 9-615(a)(3) of the Code, need the Agent account for the surplus, if any, to the Borrowers. To the extent permitted by applicable law, each Borrower waives notice of any sale of collateral security or any default of any sort and all claims, damages and demands it may acquire against the Agent arising out of the exercise by it of any rights hereunder. 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.

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

7. Agent's Appointment as Attorney-in-Fact, Agent's Performance of each Borrower's Obligations.

7.1. Powers. Each Borrower hereby irrevocably constitutes and appoints the 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 Borrower and in the name of such Borrower or in its own name, from time to time in the Agent's discretion, for the purpose of carrying out the terms of this Agreement, but only after the occurrence and during the continuance of an Event of Default, 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, such Borrower hereby gives the Agent the power and right, on behalf of such Borrower, without notice to or assent by such Borrower, to do the following after the occurrence and during the continuance of any Event of Default:

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

(b) to pay or discharge taxes and Liens levied or placed on or threatened against the Collateral;

(c) to execute, in connection with any sale provided for in this Agreement, any endorsements, assignments or other instruments of conveyance or transfer with respect to the Collateral; and

(d) (1) to 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 Agent or as the Agent shall direct; (2) to ask or demand for, collect, 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) to 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) to 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 thereof and to enforce any other right in respect of any Collateral; (5) to defend any suit, action or proceeding brought against the Borrowers with respect to any Collateral; (6) to settle, compromise or adjust any such suit, action or proceeding and, in connection therewith, to give such discharges or releases as the Agent may deem appropriate; and (7) generally, to 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 Agent were the absolute owner thereof for all purposes, and to do, at the Agent's option and each Borrower's expense, at any time, or from time to time, all acts and things which the Agent deems necessary to protect, preserve or realize upon the Collateral and the Agent's security interests therein and to effect the intent of this Agreement, all as fully and effectively as the Borrowers might do.

7.2. Performance by Agent of Borrowers' Obligations. If either Borrower fails to perform or comply with any of its agreements contained in this Agreement or in the Credit

Agreement, the Agent, at its option, but without any obligation to do so, may perform or comply, or otherwise cause performance or compliance, with such agreement.

7.3. Borrowers' Reimbursement Obligations. The expenses of the Agent incurred in connection with actions undertaken as provided in this Section 7, together with interest thereon at a rate per annum equal to 2% above the Alternate Base Rate, from the date of payment by the Agent to the date reimbursed by the Borrowers, shall be payable by the Borrowers to the Agent on demand.

7.4. Ratification; Power Coupled With An Interest. Each Borrower 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.

8. Duty of Agent. The 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 Code or otherwise, shall be to deal with it with reasonable care pursuant to Section 9-207 of the Code and in the same manner as the Agent deals with similar property for its own account. Neither the Agent nor any of its directors, officers, 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 each Borrower 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 Agent hereunder are solely to protect the Agent's interests in the Collateral and shall not impose any duty upon the Agent to exercise any such powers. The Agent shall be accountable only for amounts that it actually receives as a result of the exercise of such powers, and neither the Agent nor any of its officers, directors, employees or agents shall be responsible to the Borrowers for any act or failure to act hereunder, except for their own gross negligence or willful misconduct.

9. Financing Statements. Pursuant to Article 9 of the Code, each Borrower authorizes the Agent to file financing statements, continuation statements and amendments thereto, with respect to the Collateral that describe the Collateral as all assets of such Borrower or words similar to that effect and which contain any other information required by Part 5 of Article 9 of the Code, without the signature of such Borrower in such form and in such filing offices as the Agent reasonably deems appropriate to perfect the security interests of the Agent under this Agreement. A carbon, photographic or other reproduction of this Agreement shall be sufficient as a financing statement for filing in any jurisdiction.

10. Notices. All notices, requests and other communications hereunder shall be made in the manner and to the addresses set forth the Credit Agreement.

11. 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.

12. Amendments in Writing; No Waiver; Cumulative Remedies.

12.1. Amendments in Writing. None of the terms or provisions of this Agreement may be waived, amended, supplemented or otherwise modified except by a written

instrument executed by the Borrowers and the Agent, provided that any provision of this Agreement may be waived by the Agent in a letter or agreement executed by the Agent or by facsimile transmission from the Agent.

12.2. No Waiver by Course of Conduct. The Agent shall not by any act (except by a written instrument pursuant to Section 12.1 hereof), 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 or in any breach of any of the terms and conditions hereof. No failure to exercise, nor any delay in exercising, on the part of the Agent, 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 Agent of any right or remedy hereunder on any one occasion shall not be construed as a bar to any right or remedy which the Agent would otherwise have on any future occasion.

12.3. Remedies Cumulative. 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.

13. Relation to Credit Agreement. This Agreement is the "*Borrowers' Security Agreement*" referred to in the Credit Agreement, and is subject to, and should be construed in accordance with, the provisions thereof. Each of the Agent and each Borrower acknowledges that certain provisions of the Credit Agreement, including Sections 1.2 (Principles of Construction), 11.1 (Amendments and Waivers), 11.3 (No Waiver; Cumulative Remedies), 11.4 (Survival of Representations and Warranties and Certain Obligations), 11.10 (Counterparts), 11.11 (Adjustments; Set-off), 11.12 (Construction), 11.13 (Governing Law), 11.14 (Headings Descriptive), 11.15 (Severability), 11.16 (Integration), 11.17 (Consent to Jurisdiction), 11.18 (Service of Process), 11.19 (No Limitation on Service or Suit) and 11.20 (WAIVER OF TRIAL BY JURY) thereof, are made applicable to this Agreement and all such provisions are incorporated by reference herein as if fully set forth herein.

14. Section Headings. The section and subsection 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.

15. Successors and Assigns. This Agreement shall be binding upon the successors and assigns of the Borrowers and shall inure to the benefit of the Agent and its successors and assigns.

16. Term of Agreement. The term of this Agreement shall commence on the date hereof and this Agreement shall continue in full force and effect, and be binding upon the Borrowers, until all of the Obligations have been fully paid and performed, all sums payable under the Loan Documents shall have been paid in full and the Commitments shall have been terminated, whereupon this Agreement shall terminate.

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

18. **WAIVER OF JURY TRIAL. THE BORROWERS AND THE AGENT WAIVE TRIAL BY JURY IN ANY LITIGATION IN ANY COURT WITH RESPECT TO, IN**

CONNECTION WITH, OR ARISING OUT OF, THIS AGREEMENT, ANY OF THE OTHER LOAN DOCUMENTS, OR ANY INSTRUMENT OR DOCUMENT DELIVERED PURSUANT TO THIS AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS, OR THE VALIDITY, PROTECTION, INTERPRETATION, COLLECTION OR ENFORCEMENT HEREOF OR THEREOF OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (ORAL OR WRITTEN) OR ACTIONS OF THE AGENT, ANY LENDER, ANY RATE PROTECTION LENDER, THE ISSUING BANK, THE SWING LINE LOAN LENDER OR ANY OBLIGOR. THE BORROWERS ACKNOWLEDGE RECEIPT OF FULL AND SUFFICIENT CONSIDERATION FOR THIS SECTION 18 AND EACH OTHER PROVISION OF THIS AGREEMENT AND EACH LOAN DOCUMENT TO WHICH THEY ARE A PARTIES AND ACKNOWLEDGE THAT THIS SECTION 18 IS A MATERIAL INDUCEMENT FOR THE AGENT, THE ISSUING BANK, THE SWING LINE LOAN LENDER, THE RATE PROTECTION LENDERS AND THE LENDERS ENTERING INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS.

19. Severability. Every provision of this Agreement is intended to be severable, and if any term or provision hereof shall be invalid, illegal or unenforceable for any reason, the validity, legality and enforceability of the remaining provisions thereof shall not be affected or impaired thereby, and any invalidity, illegality or unenforceability in any jurisdiction shall not affect the validity, legality or enforceability of any such term or provision in any other jurisdiction.

IN WITNESS WHEREOF, intending to be legally bound, each Borrower has caused this Agreement to be duly executed as of the date first above written.

CHIEF EXECUTIVE OFFICE:

GP STRATEGIES CORPORATION

By: 

Name: Scott N. Greenberg

Title: President and  
Financial Officer

CHIEF EXECUTIVE OFFICE:

GENERAL PHYSICS CORPORATION

By: 

Name: Scott N. Greenberg

Title: Executive Vice President



Accepted:

FLEET NATIONAL BANK,

as Agent

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

*James V. Majorca*  
*James V. Majorca*  
*Vice President*

SCHEDULE I

Government Contracts

<b>Contractor</b>	<b>Contracting Agency Address</b>	<b>Contract Number/Value</b>	<b>Date</b>	<b>Contract Purpose</b>	<b>Disbursing Agency Address</b>
Parent		NONE			
GPC		See Attached List			
[GPFSI]		[See Attached List]			

**TRADEMARK**  
**REEL: 2518 FRAME: 0450**

**General**  
List  
As of 11/09/01

**Physics**  
Active

of

Government

**Corporation**  
Contracts

Contractor	Contracting Agency Address	Contract Number/Value	Date	Project Manager	Contract Purpose	Disbursing Agency Address
GPC	USA MATERIEL COMMAND ACQUISITION CENTER ABERDEEN BRANCH ATTN: AMSSB-ACC-AS BUILDING 4118 SUSQUEHANNA AVE. APG, MD 21005 ATTN: KATHRYN BANKERD	DAAD05-97-D-7003 \$1000,000,000	12/01/96	MICKEY DUNKERLY (711) ACTIVE	DIRECTORATE OF SAFETY, HEALTH AND ENVIRONMENT BASE ENVIRONMENTAL SUPPORT	DFAS ROCK ISLAND OPERATING LOCATION BLDG 68 ATTN: DFAS-RI-FPV ROCK ISLAND, IL 61299-8401
GPC	DAHLGREN DIVISION, NAVAL SURFACE WARFARE CENTER, 17320 DAHLGREN ROAD DAHLGREN, VA 22448 JOHN FRENCH: 540-653-2828	N00178-00-D-2033 \$12,260,449	10/01/96	MACMETH ENY (721) ACTIVE	PROVIDE TECHNICAL TRAINING SERVICES TO SUPPORT NAVEL AVIATION READINESS	DFAS-COMUMBUS 3990 EAST BROAD STREET BLDG. 21 COLUMBUS, OH 43213-1153 ATTN: SANDRA SMITH
GPFSK	COMMERCIAL ACQUISITION DEPARTMENT, BLDG. 11, NUWC DIVISION, NEWPORT, CODE 5912 SIMONPIETRE DRIVE NEWPORT, RI 02841	N66604-98-D-067A \$41,620,575	11/19/98	BOB HILLYER, LARRY BURGESS, AND RICH BPLAT (722/723)	FIELD SERVICES SUPPORT FOR ELECTROMAGNETI C SYSTEMS AND EQUIPMENT	DFAS-COLUMBUS 3990 EAST BROAD STREET BLDG. 21 COLUMBUS, OH 43213-1153 ATTN: SANDRA

General List

As of 11/09/01

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GPC	DIRECTORATE OF CONTRACTING USAAPGSA, RYAN BLDG APG, MD 21005-5001	DAADOS-93-D7-53 \$31,202,413	10/01/93	MICKEY DUNKERLY (711) ACTIVE	TECHNICAL ENVIRONMENTAL COMPLIANCE SUPPORT-ARMY	SMITH DFAS-APG ATTN: DFAS-IN-EM-BJ-V BLDG 310, WING 7 APG, MD 21005-5001
GPC	BUREAU OF ENGRAVING AND PRINTING 324 MAIN BUILDING WASHINGTON, DC 22080	TEP-97-07(TN) \$674,622.97	02/01/97	LEW LEWIS (721) ACTIVE	PROVIDE ELECTRO-MACHINIST TRAINING FOR FISCAL YEAR 1997 (2/1/97-9/30/97) LABOR TRAINING AND TUTORIAL	DON KEENE WESTERN CURRENCY FACILITY 9000 BLUE MOUND RD FORTH WORTH, TX 76131
GPC	KENNETH PROGRAM MANAGER BUILDING APG, MD 21010	DAAA09-96-C-0019 \$55,392,382	9/16/96	CRAIG SEGER (711) ACTIVE	OPERATE AND MAINTAIN THE CHEMICAL DEMILITARIZATI O TRAINING FACILITY	DRAS ROCK ISLAND OPERATING LOCATION BUILDING 66 ROCK ISLAND, IL 61299-8301
GPC	UNITED STATES SERVICE CAPITAL 10400 PKWY STE	232092-00-M-010 \$93,076.69	03/15/00	DAN TWILLEY, DEV MURALI (711)	ASBESTOS SURVEY AND OPERATIONS AND MAINTENANCE PLAN SERVICES	UNITED STATES POSTAL SERVICE METRO FSO 10400 PATUXENT LITTLE PKWY

NYDOCS:1028824.1

**General**  
List  
As of 11/09/01

**Physics**  
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**Government**

**Corporation**  
Contracts

GPC	COLUMBIA, MD 21044-3510	POST J. MID-FLORIDA, FL 32799	OFFICE SINK	123125-94-J-3016 \$505,835.89	02/01/9 4	RUSS HAMILTIO N (841)  OPEN	HOBE SOUND	STE COLUMBIA, MD 21044-3510	400 MD
GPC	CO REPRESENTATIVE 100 KINDEL DRIVE SUITE A 332 ARNOLD AFB, TN 37389	TECHNICAL 100 KINDEL DRIVE SUITE A 332 ARNOLD AFB, TN 37389		F40650-99-C-0019 \$2,442,470.93	10/18/9 9	CRAIG HARLEY (841)  ACTIVE	AEDC FOLLOW-ON CONTRACT	ARNOLD ENGINEERING DEVELOPMENT KATHY SWANSON 100 KINDEL DRIVE SUITE A 322 ARNOLD AFB, TN 37389	
GPC	COMMERCIAL ACQUISITION DEPARTMENT BLDG. 11, NUWC DIVISION NEWPORT, CODE 5914 SIMONPIETRE DRIVE NEWPORT, RI 02841			N66604-01-M- 1298 \$9,500	1/30/01	PAUL BROWN SR.	PATENT DRAFTING SERVICES	NAVAL UNDERSEA WARFARE CENTER DIVISION BLDG. 11, NEWPORT CODE 5912P SIMONPIETRE DRIVE NEWPORT, RI 02841	

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**General**  
List  
As of 11/09/01

**Physics**  
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**Corporation**  
Contracts

GPC	COMMERCIAL ACQUISITION DEPARTMENT BLDG. 11, NUWC DIVISION NEWPORT, CODE 5912 SIMONPIETRE DRIVE NEWPORT, RI 02841	N66604-01-D-0211  \$2,449,349	12/27/00	WILLIAM PERKINS	MATERIAL INVENTORY MANAGEMENT	DFAS-COLUMBUS 3990 EAST BROAD STREET BLDG. 21 COLUMBUS, OH 43213-1152 ATTN: SANDRA SMITH
GPC	COMMERCIAL ACQUISITION DEPARTMENT BLDG. 11, NUWC DIVISION NEWPORT, CODE 5914 SIMONPIETRE DRIVE NEWPORT, RI 02841	N66604-01-M-  \$74,929.01	11/16/00	ROBERT HILLYER	EITM	NAVAL UNDERSEA WARFARE CENTER DIVISION BLDG. 11, NEWPORT CODE 5912P SIMONPIETRE DRIVE NEWPORT, RI 02841
GPC	GENERAL ADMINISTRATION FEDERAL SUPPLY SERVICE SERVICES ACQUISITION CENTER/FCXE ARLINGTON, VA 2202	GS-23f-0300K  \$10,000,000	6/14/00	LEW LEWIS/ BILL BAUMAN	PROFESSIONAL ENGINEERING SERVICES - GSA SCHEDULE	TO BE SHOWN ON ORDERS ISSUED UNDER THIS CONTRACT

NYDOCS:1028824.1

**General**  
List  
As of 11/09/01

**Physics**  
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of

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**Corporation**  
Contracts

GPC	GENERAL ADMINISTRATION ACQUISITION (10FTP-E) 400 15 <sup>TH</sup> STREET, SW AUBURN, WA 98001-6599	SERVICES DIVISION SW	GS-10F-0167L \$1,000,000 PER ORDER (MAXIMUM)	2/9/01	MARTY WALSH/ BILL BAUMAN	ENVIRONMENTAL SERVICES - GSA SCHEDULE	TO BE SHOWN ON ORDERS UNDER THIS CONTRACT
GPC	GSA/FSS/FCI IT ACQUISITION CENTER CRYSTAL MALL #4 ROOM 1017 1941 JEFFERSON DAVIS HWY ARLINGTON, VA 22202		GS-35F-0275L \$500,000 PER ORDER (MAXIMUM)	3/7/01	CAROL ELFORD	IT PROFESSIONAL SERVICES - GSA SCHEDULE	TO BE SHOWN ON ORDERS UNDER THIS CONTRACT
GPC	US DOT RESEARCH/SPECIAL PROGRAM ADMIN DMA-30 ROOM 8321 400 7 <sup>TH</sup> ST., NW WASHINGTON DC, 20590		DTRS56-96-C-0002 \$533,730.60	06/17/96	ROB HALL (841) ACTIVE	MISC PROJECTS (TECH SERVICE) THRU DELIVERY ORDERS	US DOT RSPA FINANCIAL OPERATIONS AMZ-1 PO BOX 25370 (MMAC) OKLAHOMA CITY, OK 73125
GPC	30 1172 ICELAND BLDG VAFB, CA 93437	GES/CECC AVE. 11433	F04684-00-D-0004 \$213,518.99	03/28/00	STAN CHANG (841) ACTIVE	REPLACE HVAC HOT WATER HEATERS	30 CONS/LCGA 806 13 <sup>TH</sup> STREET BLDG 7015, SUITE 2 VAFB, CA 93437

\*GPC is General Physics Corporation

\*GPFS is General Physics Federal Systems

NYDOCS:1028824.1



TRADEMARK  
REEL: 2518 FRAME: 0456

**TRADEMARK**  
**REEL: 2518 FRAME: 0457**

## SCHEDULE II

### Name of Debtors

### Filing Locations

GP Strategies Corporation

New York County  
New York Secretary of State

General Physics Corporation

Maryland Department of  
Assessments and Taxation

### Locations of Collateral

### Name of Subsidiary Guarantor

### Collateral Locations

GP Strategies Corporation

9 West 57<sup>th</sup> Street, Suite 4170  
New York, New York 10019

General Physics Corporation

6700 Alexander Bell Drive  
Columbia, Maryland 21046

391 Taylor Blvd., Suite 180  
Pleasant Hill, California 94523

3353 Bradshaw Road, Suite 125  
Sacramento, California 95827

2430 Vineyard Avenue, #103  
Escondido, California 92029

1157 East Clark Avenue, Suite L  
Santa Maria, California 93455

1746 Cole Blvd., Suite 225  
Golden, Colorado 80401

116 West Main Street, Suite E  
Oak Creek, Colorado 80467

11 Main Street  
Mystic, Connecticut 06355

8401-J Benjamin Road

Tampa, Florida 33634

5095 South Washington Avenue  
Suite 201  
Titusville, Florida 32780

1700 42nd Street NE  
Cedar Rapids, Iowa 52402

310 East 96th Street, Suite 100  
Indianapolis, Indiana 46240-3732

400 East 86th Avenue  
Merrillville, Indiana 46410

10500 Coursey Blvd., Suite 300  
Baton Rouge, Louisiana 70816

500 Edgewood Road, Suite 110  
Edgewood, Maryland 21040

268 Summer Street, 5th Floor  
Boston, Massachusetts 02210

800 Stephenson, Suite 100  
Troy, Michigan 48083

1302½ Courthouse Avenue  
Auburn, Nebraska 68305

1325 Airmotive Way  
Suite 175 - Unit No. L  
Reno, Nevada 89502

210 John Glenn Drive, Suite I  
Amherst, New York 14228-2213

8 John Walsh Blvd.  
Peekskill, New York 10566

2621 Van Buren Avenue, Suite 500  
Audubon, Pennsylvania 19401

25 Enterprise Centre, Bldg. #1  
Middletown, Rhode Island 02842

1991 Centennial Avenue, Suite 100  
Aiken, South Carolina 29803

NYDOCS:1028824.1

**TRADEMARK**  
**REEL: 2518 FRAME: 0459**

790 D East Pine Log Road  
Aiken, South Carolina 29803

203 East Grundy Street  
Tullahoma, Tennessee 37388

1902 Bayport Blvd., #110  
Seabrook, Texas 77586

2711 Jefferson Davis Hwy.  
Suite 1250  
Arlington, Virginia 22202

1301 Democracy Lane, Suite 300  
Fairfax, Virginia 22030

1050 Gillmore Avenue, Suite C  
Richland, Washington 99352

515 116th Avenue, NE, Suite 253  
Bellevue, Washington 98004

1764 Rohrerstown Road  
Lancaster, Pennsylvania 17601

45 East Chicago Avenue  
Westmont, Illinois 60559

**Business and Trade Names**

General Physics Corporation, GP e-Learning Technologies

General Physics Training Institute (GPTI)

### Mergers, etc. Referred to in Section 3.3

Effective as of December 31, 1998, General Physics Corporation merged with General Physics Federal Systems, Inc., a wholly owned subsidiary of General Physics Corporation. General Physics Corporation was the surviving entity.

Effective as of July 15, 1998, General Physics Corporation acquired substantially all of the assets of The Deltapoint Corporation.

Effective as of June 16, 1998, General Physics Corporation acquired certain assets associated with the Learning Technologies business of MCI Systemhouse Corp.

Effective as of January 1, 1998, General Physics Corporation acquired substantially all of the assets of United Training Services, Inc. (including the name "United Training Services").

On January 24, 1997, General Physics Corporation merged with GPX Acquisition, Inc., a wholly owned subsidiary of GP Strategies Corporation (formerly known as National Patent Development Corporation). General Physics Corporation was the surviving entity.

Effective as of July 31, 1996, General Physics Corporation acquired substantially all of the assets of Training Support Group, Inc. (including the name "Training Support Group").

Effective as of July 15, 1996, General Physics Corporation acquired substantially all of the assets of MTU Data Systems, Inc. (including the name "MTU Data Systems").

Effective as of August 31, 1994, General Physics Corporation acquired substantially all of the assets of GPS Technologies, Inc. (including the name "GPS Technologies").

Effective December 28, 1995, GPS Technologies, Inc. Federal Systems Group changed its name to "General Physics Federal Systems, Inc."

**SCHEDULE III**

**LIST OF EQUITY INTERESTS**

**Material Subsidiaries**

<u>Issuer</u>	<u>Class</u>	<u>Number of Shares</u>	<u>Cert. Number(s)</u>	<u>Percentage of Outstanding Shares</u>	<u>Holder</u>
General Physics Corporation (UK) Limited	N/A	1,155,070	1, 2, 3, 4, 5	100%	General Physics Corporation
[General Physics Canada Ltd.	N/A	7,459,100	C-1, C-2, C-3, C-4, C-5	100%	General Physics Corporation]

**Foreign Subsidiaries which are not Material Subsidiaries**

<u>Issuer</u>	<u>Class</u>	<u>Number of Shares</u>	<u>Cert. Number(s)</u>	<u>Percentage of Outstanding Shares</u>	<u>Holder</u>
General Physics Corporation Mexico, S.A. de C.V.	N/A	49,500	1	99%	General Physics Corporation*
General Physics (Malaysia) Sdn. Bhd.	N/A	2	5	100%	General Physics Corporation
General Physics Asia Pte Ltd.	N/A	1,000	6	100%	General Physics Corporation
GP Strategies Do Brasil Ltda.	N/A	50,999	n/a	99%	General Physics Corporation**

\* The remaining 500 shares (Certificate No. 2) are held by GP Environmental Services, Inc., a wholly owned non-material subsidiary of General Physics Corporation.

\*\* The remaining 1 share/quota is held by GP Strategies Corporation.

NYDOCS:1028824.1

**Agreements of the Borrowers of any Subsidiary with respect  
to Voting Securities and such Subsidiary**

[NONE]

NYDOCS:1028824.1

**TRADEMARK  
REEL: 2518 FRAME: 0463**



**SCHEDULE IV**

**A. Copyrights**

See attached list

**B. Copyright License**

See attached list

**C. Letters Patents/Applications for Letters Patent**

See attached list

**D. Patent Licenses**

See attached list

**E. Trademarks**

See attached list

**F. Trademark Licenses**

See attached list

**G. Trade Secrets**

See attached list

Trademark	Serial No./ Filing Date	Reg. No./ Filing Date	Status	Country
HYDRON	72/244,512 April 28, 1966	839,778 December 5, 1967	Registered	USA
HMS HYDRO MED SCIENCES + DESIGN	75/166,375 September 13, 1996	2,103,188 October 7, 1997	Registered	USA
HYDRON	75/482,236 May 8, 1999	2,337,316 April 4, 2000	Registered	USA
HYDRON	73/567,268 November 6, 1985	1,396,302 June 10, 1986	Registered	USA
HYDRON	75/481,957 May 8, 1998	2,547,623 March 12, 2002	Registered	USA
COURSEMAKER	75/050,511 January 30, 1996	October 15, 2001	Abandoned	USA
GP GENERAL PHYSICS CORPORATION	73/513,721 December 17, 1984	1,379,725 January 21, 1986	Registered	USA
GP LOGO DESIGN	1,026,276 August 19, 1999		Pending	Canada
CHASTON	73/438,667 August 10, 1983	1,313,053 January 8, 1985	Registered	USA
GP START + DESIGN	1,012,987 April 22, 1999		Pending	Canada
START SYSTEM TECHNOLOGY ACCELERATED TRAINING DESIGN	878,259 May 14, 1998	TMA 557,445 February 5, 2002	Registered	Canada

DRUG DELIVERY SYSTEMS? PRECISELY.	75/729,479 June 15, 1999	2,385,279 September 12, 2000	Registered	USA
DESIGN ONLY	73/348,982	1,277,773 May 15, 1984	Registered	USA
MXL	73/060,487 August 14, 1975	1,054,67 December 21, 1976	Registered	USA
FOG EATER	73/049,820 April 16, 1975	1,049,949 October 12, 1976	Registered	USA
DESIGN ONLY	72/379,911 December 21, 1970	927,290 January 18, 1972	Registered	USA

FORM OF CONFIRMATORY ASSIGNMENT OF CONTRACT

This ASSIGNMENT, dated as of \_\_\_\_\_ is by GP STRATEGIES CORPORATION, a Delaware corporation (the "Parent"), GENERAL PHYSICS CORPORATION, a Delaware corporation ("GPC" and collectively with the Parent, the "Debtors" and each individually, a "Debtor") in favor of FLEET NATIONAL BANK, as agent (in such capacity, the "Bank") for certain banks and financial institutions from time to time party to the Second Amended and Restated Credit Agreement, dated as of December 14, 2001 (as amended, amended and restated, or otherwise modified from time to time) with the Debtors, and the Bank.

WHEREAS, [the Parent/GPC] is party to Contract No. \_\_\_\_\_ dated \_\_\_\_\_ between [the Parent/GPC] and \_\_\_\_\_ (the "Contract"); and

WHEREAS, the Debtors and the Bank have entered into that certain Second Amended and Restated Borrowers Security Agreement, dated as of December 14, 2001 (as amended, amended and restated, or otherwise modified from time to time) (the "Security Agreement"), pursuant to which the Debtors have assigned to the Bank certain assets of the Debtors, including all of the Debtors' rights in and to any interest in and to all money due or to become due under the Contract, to secure the obligations referred to in the Security Agreement;

NOW, THEREFORE, the Debtors hereby confirm, acknowledge and agree that, pursuant to and subject to the terms of the Security Agreement, [the Parent/GPC] hereby assigns and transfers to the Bank moneys due or to become due under the Contract.

EXECUTED as of the date first above written.

Corporate Seal

[GP STRATEGIES CORPORATION]  
[GENERAL PHYSICS CORPORATION]

Attest: \_\_\_\_\_  
Title: [Secretary]  
[Assistant Secretary]

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

FORM OF NOTICE OF ASSIGNMENT OF  
ACCOUNTS RECEIVABLE AS SECURITY

Fleet National Bank,  
as Agent

Date: \_\_\_\_\_, 200\_

To: [Contracting official or Head of Agency]  
[Address]  
[Any Surety on a Bond on the Contract]  
[Address]  
[Disbursing official]  
[Address]

Re: Contractor: \_\_\_\_\_  
Address: \_\_\_\_\_  
Contract Number: \_\_\_\_\_  
Made by the United States of America  
Government Agency: \_\_\_\_\_  
Name of Office: \_\_\_\_\_  
Address: \_\_\_\_\_

For: [Describe Nature of Contract]

Dated: \_\_\_\_\_

Ladies and Gentlemen:

PLEASE TAKE NOTICE that moneys due or to become due to GENERAL PHYSICS CORPORATION ("GPC") under the contract described above have been assigned under the provisions of the Assignment of Claims Act of 1940, as amended (31 U.S.C. 3727, 41 U.S.C. 15), to Fleet National Bank, as agent (the "Agent") for the banks and other financial institutions (the "Lenders") from time to time party to that certain Second Amended and Restated Credit Agreement (as amended, amended and restated, or otherwise modified from time to time) dated as of December 14, 2001 by and among the GP Strategies Corporation, GPC, the Agent and the Lenders.

A true copy of the instrument of assignment executed by GPC on \_\_\_\_\_ is attached to the original notice.

Payments due or to become due to GPC under the contract described above should be made to the undersigned assignee.

Please return to the undersigned (in the enclosed, self-addressed stamped envelope) the three enclosed copies of this notice with appropriate notations showing the date and hour of receipt, and signed by the person acknowledging receipt on behalf of the addressee.

NYDOCS:1028824.1

Very truly yours,

Fleet National Bank,  
as Agent

By: \_\_\_\_\_  
Title: Authorized Official  
Address: 1185 Avenue of the Americas  
New York, NY 10036  
Attn: \_\_\_\_\_

**ACKNOWLEDGMENT OF RECEIPT**

Receipt is acknowledged of the above notice and of a copy of the instrument of assignment. They were received at \_\_\_\_\_ A.M./P.M. on \_\_\_\_\_ 200\_.

On behalf of  
Contracting Agency:

\_\_\_\_\_  
Signature  
Title:

On behalf of  
Disbursing Official:

\_\_\_\_\_  
Signature  
Title:

Other Addressee:

\_\_\_\_\_  
Signature  
Title:

THIS STATEMENT IS INTENDED TO CONFER CONTROL IN ACCORDANCE  
WITH SECTION 8-106(c)(2) OF THE UNIFORM COMMERCIAL CODE. THIS  
STATEMENT IS NEITHER A NEGOTIABLE INSTRUMENT NOR A SECURITY

[DATE]

Fleet National Bank  
1185 Avenue of the Americas  
New York, New York 10036

Ladies and Gentlemen:

The undersigned, \_\_\_\_\_ (the "Issuer"), hereby acknowledges receipt of the Second Amended and Restated Borrowers Security Agreement, dated as of December 14, 2001 (as the same may be amended, supplemented, amended and restated, or otherwise modified from time to time, the "Agreement"), by and among GP Strategies Corporation, General Physics Corporation, and Fleet National Bank, as Agent, as secured party (in such capacity, the "Agent") and (i) consents to the terms thereof and (ii) agrees, pursuant to Section 8-106(c)(2) of the New York State Uniform Commercial Code, to comply with the instructions of the Agent with respect to the security referred to below without the further consent of the holder of such security.

1.1 **Description of Pledged Security:** \_\_\_\_\_

1.2 **Number of Shares or Units Pledged:** \_\_\_\_\_

1.3 **Registered Owner:** [GP Strategies Corporation/General Physics Corporation]

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attention: \_\_\_\_\_  
Taxpayer ID # \_\_\_\_\_

1.4 **Pledge and Taxpayer Identification Number (if any):**

Fleet National Bank  
1185 Avenue of the Americas  
New York, New York 10036  
Attention: \_\_\_\_\_  
Taxpayer ID # \_\_\_\_\_

1.5. **No Conflicting Agreement:** The issuer confirms that it has entered into no agreement pursuant to Section 8-106(c)(2) of the Uniform Commercial Code to comply with the instructions of any person with respect to such security other than the agreement in favor of the Agent, as pledgee, set forth above.

NYDOCS:1028824.1

The Issuer hereby agrees, at the request of the Agent and at the expense of the Issuer, to register any further assignment or transfer of the foregoing security effected in the manner contemplated by the Agreement.

[NAME OF ISSUER]

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

NYDOCS:1028824.1