

**TRADEMARK ASSIGNMENT**

Electronic Version v1.1  
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	Security Agreement

**CONVEYING PARTY DATA**

Name	Formerly	Execution Date	Entity Type
Alon USA, LP		06/30/2006	LIMITED PARTNERSHIP: TEXAS
Alon Asphalt Bakersfield, Inc.		06/30/2006	CORPORATION: DELAWARE
Alon USA LP, LLC, by and through Alon USA GP, LLC		06/30/2006	LIMITED PARTNERSHIP: TEXAS

**RECEIVING PARTY DATA**

Name:	Credit Suisse, Cayman Islands Branch, as Collateral Agent
Street Address:	11 Madison Avenue
City:	New York
State/Country:	NEW YORK
Postal Code:	10010
Entity Type:	Bank:

**PROPERTY NUMBERS Total: 7**

Property Type	Number	Word Mark
Registration Number:	2871870	
Registration Number:	3077799	VALIDUS
Registration Number:	3077800	CONVENIENCE, PLAIN AND SIMPLE.
Registration Number:	3088821	CONVENIENCIA, SENCILLA Y SIMPLE.
Registration Number:	2495313	TOPEIN
Registration Number:	3019649	
Registration Number:	3019650	

**CORRESPONDENCE DATA**

Fax Number: (866)459-2899  
*Correspondence will be sent via US Mail when the fax attempt is unsuccessful.*  
 Phone: 202-783-2700

CH \$190.00 2871870

Email: Oleh.Hereliuk@federalresearch.com  
Correspondent Name: CBC Companies dba Federal Research  
Address Line 1: 1023 Fifteenth Street, NW, Ste 401  
Address Line 2: attn: Oleh Hereliuk  
Address Line 4: Washington, DISTRICT OF COLUMBIA 20005

ATTORNEY DOCKET NUMBER:	365071
NAME OF SUBMITTER:	Oleh Hereliuk
Signature:	/oh/
Date:	08/09/2006

**Total Attachments: 94**

source=365071#page1.tif  
source=365071#page2.tif  
source=365071#page3.tif  
source=365071#page4.tif  
source=365071#page5.tif  
source=365071#page6.tif  
source=365071#page7.tif  
source=365071#page8.tif  
source=365071#page9.tif  
source=365071#page10.tif  
source=365071#page11.tif  
source=365071#page12.tif  
source=365071#page13.tif  
source=365071#page14.tif  
source=365071#page15.tif  
source=365071#page16.tif  
source=365071#page17.tif  
source=365071#page18.tif  
source=365071#page19.tif  
source=365071#page20.tif  
source=365071#page21.tif  
source=365071#page22.tif  
source=365071#page23.tif  
source=365071#page24.tif  
source=365071#page25.tif  
source=365071#page26.tif  
source=365071#page27.tif  
source=365071#page28.tif  
source=365071#page29.tif  
source=365071#page30.tif  
source=365071#page31.tif  
source=365071#page32.tif  
source=365071#page33.tif  
source=365071#page34.tif  
source=365071#page35.tif  
source=365071#page36.tif  
source=365071#page37.tif  
source=365071#page38.tif

source=365071#page39.tif  
source=365071#page40.tif  
source=365071#page41.tif  
source=365071#page42.tif  
source=365071#page43.tif  
source=365071#page44.tif  
source=365071#page45.tif  
source=365071#page46.tif  
source=365071#page47.tif  
source=365071#page48.tif  
source=365071#page49.tif  
source=365071#page50.tif  
source=365071#page51.tif  
source=365071#page52.tif  
source=365071#page53.tif  
source=365071#page54.tif  
source=365071#page55.tif  
source=365071#page56.tif  
source=365071#page57.tif  
source=365071#page58.tif  
source=365071#page59.tif  
source=365071#page60.tif  
source=365071#page61.tif  
source=365071#page62.tif  
source=365071#page63.tif  
source=365071#page64.tif  
source=365071#page65.tif  
source=365071#page66.tif  
source=365071#page67.tif  
source=365071#page68.tif  
source=365071#page69.tif  
source=365071#page70.tif  
source=365071#page71.tif  
source=365071#page72.tif  
source=365071#page73.tif  
source=365071#page74.tif  
source=365071#page75.tif  
source=365071#page76.tif  
source=365071#page77.tif  
source=365071#page78.tif  
source=365071#page79.tif  
source=365071#page80.tif  
source=365071#page81.tif  
source=365071#page82.tif  
source=365071#page83.tif  
source=365071#page84.tif  
source=365071#page85.tif  
source=365071#page86.tif  
source=365071#page87.tif  
source=365071#page88.tif  
source=365071#page89.tif  
source=365071#page90.tif  
source=365071#page91.tif  
source=365071#page92.tif

source=365071#page93.tif  
source=365071#page94.tif

RECORDATION FORM COVER SHEET  
**TRADEMARKS ONLY**

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

1. Name of conveying party(ies):  
Alon USA, LP

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

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

3. Nature of conveyance:

- Assignment                               Merger  
 Security Agreement                       Change of Name  
 Other

Execution Date: June 30, 2006

2. Name and address of receiving party(ies)

Name: Credit Suisse, Cayman Islands Branch, as Collateral Agent

Internal

Address: \_\_\_\_\_

Street Address: 11 Madison Avenue

City: New York State: NY Zip: 10010

- Individual(s) citizenship \_\_\_\_\_  
 Association \_\_\_\_\_  
 General Partnership \_\_\_\_\_  
 Limited Partnership \_\_\_\_\_  
 Corporation-State \_\_\_\_\_  
 Other Bank

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

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

A. Trademark Application No.(s)  
N/A

B. Trademark Registration No.(s)  
See attached.

Additional number(s) attached  Yes  No

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

Name: Oleh Hereliuk

Internal Address: Federal Research Corporation

Street Address: 1023 15th Street, NW

Suite 401

City Washington State: DC Zip: 20005

6. Total number of applications and registrations involved: 7

7. Total fee (37 CFR 3.41).....\$ 190.00

- 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.*

Leah F. Baskin

Name of Person Signing

Leah F. Baskin  
Signature

8/4/2006  
Date

Total number of pages including cover sheet, attachments, and document: 93

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

Additional Conveying Parties

Alon Asphalt Bakersfield, Inc., a Delaware Corporation.

Alon USA LP, LLC, by and through Alon USA GP, LLC, a Texas Limited Partnership.

GUARANTEE AND COLLATERAL AGREEMENT

dated as of

August 4, 2006,

among

ALON USA ENERGY, INC.,

the Subsidiaries of Alon USA Energy, Inc.

identified herein,

and

CREDIT SUISSE,

as Collateral Agent

---

---

[CS&M #5865-445]

Table of Contents

Page

ARTICLE I

Definitions

SECTION 1.01. Credit Agreement.....	1
SECTION 1.02. Other Defined Terms .....	1

ARTICLE II

Guarantee

SECTION 2.01. Guarantee .....	7
SECTION 2.02. Guarantee of Payment.....	7
SECTION 2.03. No Limitations, Etc.....	8
SECTION 2.04. Reinstatement.....	8
SECTION 2.05. Agreement To Pay; Subrogation.....	9
SECTION 2.06. Information .....	9

ARTICLE III

Pledge of Securities

SECTION 3.01. Pledge.....	9
SECTION 3.02. Delivery of the Pledged Collateral.....	10
SECTION 3.03. Representations, Warranties and Covenants.....	10
SECTION 3.04. CERTIFICATION OF LIMITED LIABILITY COMPANY AND LIMITED PARTNERSHIP INTERESTS.....	12
SECTION 3.05. Registration in Nominee Name; Denominations .....	12
SECTION 3.06. Voting Rights; Dividends and Interest, etc .....	12

ARTICLE IV

Security Interests in Personal Property

SECTION 4.01. Security Interest .....	14
SECTION 4.02. Representations and Warranties.....	17
SECTION 4.03. Covenants.....	18
SECTION 4.04. Other Actions .....	21
SECTION 4.05. Covenants regarding Patent, Trademark and Copyright Collateral ...	23



SECTION 4.06. Lockbox Systems .....	25
SECTION 4.07. Collections .....	28
SECTION 4.08. Consent .....	29

ARTICLE V

Remedies

SECTION 5.01. Remedies upon Default.....	29
SECTION 5.02. Application of Proceeds.....	31
SECTION 5.03. Grant of License to Use Intellectual Property.....	32
SECTION 5.04. Securities Act, etc .....	32

ARTICLE VI

Indemnity, Subrogation, Contribution and Subordination

SECTION 6.01. Indemnity and Subrogation.....	33
SECTION 6.02. Contribution and Subrogation.....	33
SECTION 6.03. Subordination.....	34

ARTICLE VII

Miscellaneous

SECTION 7.01. Notices .....	34
SECTION 7.02. Security Interest Absolute.....	34
SECTION 7.03. Survival of Agreement.....	35
SECTION 7.04. Binding Effect; Several Agreement .....	35
SECTION 7.05. Successors and Assigns.....	35
SECTION 7.06. Collateral Agent's Fees and Expenses; Indemnification .....	35
SECTION 7.07. Collateral Agent Appointed Attorney-in-Fact .....	36
SECTION 7.08. Governing Law .....	37
SECTION 7.09. Waivers; Amendment .....	37
SECTION 7.10. WAIVER OF JURY TRIAL.....	37
SECTION 7.11. Severability .....	38
SECTION 7.12. Counterparts.....	38
SECTION 7.13. Headings .....	38
SECTION 7.14. Jurisdiction; Consent to Service of Process .....	38
SECTION 7.15. Termination or Release .....	39
SECTION 7.16. Additional Subsidiaries.....	39
SECTION 7.17. Right of Setoff.....	39
SECTION 7.18. Intercreditor Agreements .....	39
SECTION 7.19. Paramount Guarantee and Collateral Limitations.....	40

GUARANTEE AND COLLATERAL AGREEMENT  
dated as of August 4, 2006, among ALON USA ENERGY, INC., the  
subsidiaries of Alon USA Energy, Inc. party hereto, and CREDIT  
SUISSE, acting through its Cayman Islands Branch, as Collateral Agent.

Reference is made to the Credit Agreement dated as of June 22, 2006 (as amended, supplemented or otherwise modified from time to time, the “Credit Agreement”), among Alon USA Energy, Inc. (the “Borrower”), the Lenders party thereto and Credit Suisse, acting through its Cayman Islands Branch, as Administrative Agent. The Lenders have agreed to extend credit to the Borrower on the terms and subject to the conditions set forth in the Credit Agreement. The obligations of the Lenders to extend such credit are conditioned upon, among other things, the execution and delivery of this Agreement. The subsidiaries of the Borrower will derive substantial benefits from extensions of credit to the Borrower under the Credit Agreement and are willing to execute and deliver this Agreement in order to induce the Lenders to extend such credit. Accordingly, the parties hereto agree as follows:

ARTICLE I

Definitions

SECTION 1.01. Credit Agreement. (a) Capitalized terms used in this Agreement and not otherwise defined herein have the meanings specified in the Credit Agreement. All terms defined in the New York UCC (as defined herein) and not defined in this Agreement have the meanings specified therein; the term “Instrument” shall have the meaning specified in Article 9 of the New York UCC.

(b) The rules of construction specified in Section 1.02 of the Credit Agreement also apply to this Agreement.

SECTION 1.02. Other Defined Terms. As used in this Agreement, the following terms have the meanings specified below:

“Account Debtor” means any person who is or who may become obligated to any Grantor under, with respect to or on account of an Account.

“Article 9 Collateral” has the meaning assigned to such term in Section 4.01.

“Bank Collateral” has the meaning assigned to such term in the Bank of America Intercreditor Agreement.

“Bank of America Collection Deposit Account” means any lockbox account maintained by a Grantor with the Bank of America Lockbox System Administrator or with a Bank of America Sub-Agent pursuant to a Bank of America Lockbox Agreement.

“Bank of America Discharge Date” means the date on which the principal of and interest accrued on all loans and all letter of credit disbursements under the Bank of America Agreement and any Refinancing Indebtedness of Paramount Holdings or any of the Paramount Subsidiary Parties in respect thereof (other than any such Refinancing Indebtedness under the IDB Agreement) shall have been paid in full, all letters of credit issued under the Bank of America Agreement shall have expired or been drawn in full and the commitments under the Bank of America Facility shall have been terminated.

“Bank of America Lockbox Agreement” means the Lockbox Agreement (as defined in the Bank of America Agreement).

“Bank of America Lockbox System” has the meaning assigned to such term in Section 4.06(b).

“Bank of America Lockbox System Administrator” means (a) prior to the Bank of America Lockbox System Transition Date, the Bank of America Revolving Facility Collateral Agent, and (b) on and after the Bank of America Lockbox System Transition Date, the Collateral Agent.

“Bank of America Lockbox System Transition Date” means the earlier of (a) the Bank of America Discharge Date and (b) the date on which the Bank of America Facility First Lien Collateral shall have been released from the Liens of the Bank of America Revolving Facility Security Documents.

“Bank of America Revolving Facility Collateral Agent” means the Agent (as defined in the Bank of America Agreement).

“Bank of America Revolving Facility Concentration Account” means an account maintained by the Agent (as defined in the Bank of America Agreement) for the benefit of the Bank of America Revolving Facility Secured Parties and the Secured Parties by the Bank of America Revolving Facility Collateral Agent.

“Bank of America Revolving Facility First Lien Collateral” means, prior to the Priority Transition, Bank Priority Collateral and, from the Priority Transition until the Bank Discharge Date, Bank Collateral.

“Bank of America Revolving Facility Secured Parties” means the lenders under the Bank of America Agreement whose loans and commitments are secured by the Bank Priority Collateral.

“Bank of America Revolving Facility Security Documents” means the Security Agreement, the Mortgage, the Lockbox Agreement and the Stock Pledge Agreement, as such terms are defined in the Bank of America Agreement.

“Bank of America Sub-Agent” means each financial institution that has delivered to the Collateral Agent and the Bank of America Revolving Facility Collateral Agent an executed Bank of America Lockbox Agreement.

“Bank Priority Collateral” has the meaning assigned to such term in the Bank of America Intercreditor Agreement.

“Collateral” means Article 9 Collateral and Pledged Collateral.

“Copyrights” means all of the following now owned or hereafter acquired by any Grantor: (a) all copyright rights in any work subject to the copyright laws of the United States or any other country, whether as author, assignee, transferee or otherwise, (b) all registrations and applications for registration of any such copyright in the United States or any other country, including registrations, recordings, supplemental registrations and pending applications for registration in the United States Copyright Office, including those listed on Schedule III and (c) any written agreement, now or hereafter in effect, granting any right to any third party under any copyright described in clause (a) above now or hereafter owned by any Grantor or that such Grantor otherwise has the right to license, or granting any right to any Grantor under any copyright now or hereafter owned by any third party, and all rights of such Grantor under any such agreement.

“Credit Agreement” has the meaning assigned to such term in the preliminary statement of this Agreement.

“Excluded Equity Interests” means Equity Interests in any Unrestricted Subsidiary; provided, that the Excluded Equity Interests will in no event include any shares listed on Schedule II hereto except to the extent noted therein.

“Federal Securities Laws” has the meaning assigned to such term in Section 5.04.

“Fixed Asset Lease” means the Lease Agreement dated as of July 31, 2000 (as amended, supplemented or otherwise modified from time to time), by and between Alon USA Refining, Inc., Alon USA Pipeline, Inc., Fin-Tex Pipe Line Company and American Petrofina Pipe Line Company (or their successors), jointly and severally, as Landlord, and Alon USA, LP (f/k/a SWBU, L.P.), as Tenant.

“General Intangibles” means all choses in action and causes of action and all other intangible personal property of any Grantor of every kind and nature (other than Accounts) now owned or hereafter acquired by any Grantor, including corporate or other business records, indemnification claims, contract rights (including rights under leases, whether entered into as lessor or lessee (including the Fixed Asset Lease), Hedging Agreements, the P&T Contracts and other agreements), Intellectual Property, goodwill, registrations, franchises, tax refund claims and any letter of credit, guarantee, claim, security interest or other security held by or granted to any Grantor to secure payment by an Account Debtor of any of the Accounts.

“Grantors” means the Borrower and the Subsidiary Parties.

“Guarantors” means the Subsidiary Parties.

“IDB Collection Deposit Account” means any lockbox account maintained by a Grantor with the IDB Lockbox System Administrator or with an IDB Sub-Agent pursuant to an IDB Lockbox Agreement.

“IDB Discharge Date” means the date on which the principal of and interest accrued on all loans and all letter of credit disbursements under the IDB Agreement shall have been paid in full, all letters of credit issued under the IDB Agreement shall have expired or been drawn in full and the commitments under the IDB Revolving Facility shall have been terminated.

“IDB Lockbox Agreement” means a lockbox and depository agreement in a form reasonably acceptable to the Collateral Agent among an IDB Sub-Agent, a Grantor and the IDB Revolving Facility Collateral Agent.

“IDB Lockbox System” has the meaning assigned to such term in Section 4.06(a).

“IDB Lockbox System Administrator” means (a) prior to the IDB Lockbox System Transition Date, the IDB Revolving Facility Collateral Agent, and (b) on and after the IDB Lockbox System Transition Date, the Collateral Agent.

“IDB Lockbox System Transition Date” means the earlier of (a) IDB Discharge Date and (b) the date on which the IDB Revolving Facility First Lien Collateral shall have been released from the Liens of the IDB Revolving Facility Security Documents.

“IDB Revolving Facility Collateral Agent” means Israel Discount Bank of New York, in its capacity as Collateral Agent under the Security Documents (as defined in the IDB Agreement), and its successors in such capacity.

“IDB Revolving Facility Concentration Account” means the “Cash Concentration Account” (as defined in the IDB Agreement) maintained at the “Cash Concentration Account Bank” (as so defined) for the benefit of the IDB Revolving Facility Secured Parties and the Secured Parties by the IDB Revolving Facility Collateral Agent.

“IDB Revolving Facility First Lien Collateral” has the meaning assigned to such term in the IDB Intercreditor Agreement.

“IDB Revolving Facility Secured Parties” has the meaning assigned to such term in the IDB Intercreditor Agreement.

“IDB Revolving Facility Security Documents” has the meaning assigned to such term in the IDB Intercreditor Agreement.

“IDB Sub-Agent” means each financial institution that has delivered to the Collateral Agent and the IDB Revolving Facility Collateral Agent an executed IDB Lockbox Agreement.

“Intellectual Property” means all intellectual and similar property of any Grantor of every kind and nature now owned or hereafter acquired by any Grantor, including inventions, designs, Patents, Copyrights, Trademarks, trade secrets, license or sublicense agreements of any kind to which any Grantor is a party (including those listed on Schedule III), confidential or proprietary technical and business information, know-how, show-how or other data or information, software and databases and all embodiments or fixations thereof and related documentation, registrations and franchises, and all additions, improvements and accessions to, and books and records describing or used in connection with, any of the foregoing.

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

“Obligations” means (a) the due and punctual payment by the Borrower of (i) the principal of and interest (including interest accruing during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding) on the Loans, when and as due, whether at maturity, by acceleration, upon one or more dates set for prepayment or otherwise, and (ii) all other monetary obligations of the Borrower to any of the Secured Parties under the Credit Agreement and each of the other Loan Documents, including fees, costs, expenses and indemnities, whether primary, secondary, direct, contingent, fixed or otherwise (including monetary obligations incurred during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding), (b) the due and punctual performance of all other obligations of the Borrower under or pursuant to the Credit Agreement and each of the other Loan Documents, and (c) the due and punctual payment and performance of all the obligations of each other Loan Party under or pursuant to this Agreement and each of the other Loan Documents.

“Paramount Holdings” means Paramount Petroleum Holdings, Inc., a Delaware corporation.

“Paramount Intercompany Notes” shall mean (i) the \$2,000,000 subordinated intercompany note dated as of January 16, 2006 of Paramount-Nevada Asphalt Company, LLC payable to Paramount and (ii) the \$5,000,000 subordinated intercompany note dated as of December 30, 2004 of Paramount-Nevada Asphalt Company, LLC payable to Paramount.

“Paramount Subsidiary Parties” means Paramount and each Subsidiary of Paramount that has provided a Guarantee of, or granted a security interest in any of its assets to support, indebtedness under the Bank of America Agreement.

“Patents” means all of the following now owned or hereafter acquired by any Grantor: (a) all letters patent of the United States or the equivalent thereof in any other country, all registrations and recordings thereof, and all applications for letters patent of the United States or the equivalent thereof in any other country, including registrations, recordings and pending applications in the United States Patent and Trademark Office or

any similar offices in any other country, including those listed on Schedule III, (b) all reissues, continuations, divisions, continuations-in-part, renewals or extensions thereof, and the inventions disclosed or claimed therein, including the right to make, use and/or sell the inventions disclosed or claimed therein and (c) any written agreement, now or hereafter in effect, granting to any third party any right to make, use or sell any invention on which a patent described in clause (a) or (b), now or hereafter owned by any Grantor or that any Grantor otherwise has the right to license, is in existence, or granting to any Grantor any right to make, use or sell any invention on which a patent, now or hereafter owned by any third party, is in existence, and all rights of any Grantor under any such agreement.

“Perfection Certificate” means a certificate substantially in the form of Exhibit II, completed and supplemented with the schedules and attachments contemplated thereby, and duly executed by a Responsible Officer and the chief legal officer of the Borrower.

“Pledged Collateral” has the meaning assigned to such term in Section 3.01.

“Pledged Debt Securities” has the meaning assigned to such term in Section 3.01.

“Pledged Equity Interests” has the meaning assigned to such term in Section 3.01.

“Pledged Securities” means any promissory notes, stock certificates or other securities now or hereafter included in the Pledged Collateral, including all certificates, instruments or other documents representing or evidencing any Pledged Collateral.

“Pledgors” means the Borrower and the Subsidiary Parties.

“Priority Transition” has the meaning assigned to such term in the Bank of America Intercreditor Agreement.

“Proceeds” has the meaning specified in Section 9-102 of the New York UCC.

“Reinvestment Account” has the meaning assigned to it in the Credit Agreement.

“Secured Parties” means (a) the Lenders, (b) the Administrative Agent, (c) the Collateral Agent, (d) the beneficiaries of each indemnification obligation undertaken by any Loan Party under any Loan Document and (d) the successors and assigns of each of the foregoing.

“Security Interest” has the meaning assigned to such term in Section 4.01.

“Subsidiary Parties” means (a) the Subsidiaries identified on Schedule I and (b) each other Subsidiary that becomes a party to this Agreement as a Guarantor, a Grantor or a Pledgor after the date hereof.

“Term Loan Facility Concentration Account” means a collateral account maintained for the benefit of the Secured Parties by the Collateral Agent and identified in a notice given by the Collateral Agent to the Borrower.

“Trademarks” means all of the following now owned or hereafter acquired by any Grantor: (a) all trademarks, service marks, trade names, corporate names, company names, business names, fictitious business names, trade styles, trade dress, logos, other source or business identifiers, designs and general intangibles of like nature, now existing or hereafter adopted or acquired, all registrations and recordings thereof, and all registration and recording applications filed in connection therewith, including registrations and registration applications in the United States Patent and Trademark Office or any similar offices in any State of the United States or any other country or any political subdivision thereof, and all extensions or renewals thereof, including those listed on Schedule III, (b) all goodwill associated therewith or symbolized thereby, (c) all other assets, rights and interests that uniquely reflect or embody such goodwill and (d) any written agreement, now or hereafter in effect, granting to any third party any right to use any trademark described in clause (a) now or hereafter owned by any Grantor or that any Grantor otherwise has the right to license, or granting to any Grantor any right to use any trademark now or hereafter owned by any third party, and all rights of any Grantor under any such agreement.

## ARTICLE II

### Guarantee

SECTION 2.01. Guarantee. Each Guarantor unconditionally guarantees, jointly with the other Guarantors and severally, as a primary obligor and not merely as a surety, the due and punctual payment and performance of the Obligations. Each of the Guarantors further agrees that the Obligations may be extended or renewed, in whole or in part, without notice to or further assent from it, and that it will remain bound upon its guarantee notwithstanding any extension or renewal of any Obligation. Each of the Guarantors waives presentment to, demand of payment from and protest to the Borrower or any other Loan Party of any of the Obligations, and also waives notice of acceptance of its guarantee and notice of protest for nonpayment.

SECTION 2.02. Guarantee of Payment. Each of the Guarantors further agrees that its guarantee hereunder constitutes a guarantee of payment when due and not of collection, and waives any right to require that any resort be had by the Collateral Agent or any other Secured Party to any security held for the payment of the Obligations or to any balance of any deposit account or credit on the books of the Collateral Agent or any other Secured Party in favor of the Borrower or any other person.



SECTION 2.03. No Limitations, Etc. (a) Except for termination of a Guarantor's obligations hereunder as expressly provided in Section 7.15, the obligations of each Guarantor hereunder shall not be subject to any reduction, limitation, impairment or termination for any reason, including any claim of waiver, release, surrender, alteration or compromise of any of the Obligations, and shall not be subject to any defense or setoff, counterclaim, recoupment or termination whatsoever by reason of the invalidity, illegality or unenforceability of the Obligations or otherwise. Without limiting the generality of the foregoing, the obligations of each Guarantor hereunder shall not be discharged or impaired or otherwise affected by (i) the failure of the Collateral Agent or any other Secured Party to assert any claim or demand or to enforce any right or remedy under the provisions of any Loan Document or otherwise; (ii) any rescission, waiver, amendment or modification of, or any release from any of the terms or provisions of, any Loan Document or any other agreement, including with respect to any other Guarantor under this Agreement; (iii) the release of any security held by the Collateral Agent or any other Secured Party for the Obligations or any of them; (iv) any default, failure or delay, wilful or otherwise, in the performance of the Obligations; or (v) any other act or omission that may or might in any manner or to any extent vary the risk of any Guarantor or otherwise operate as a discharge of any Guarantor as a matter of law or equity (other than the indefeasible payment in full in cash of all the Obligations). Each Guarantor expressly authorizes the Secured Parties to take and hold security for the payment and performance of the Obligations, to exchange, waive or release any or all such security (with or without consideration), to enforce or apply such security and direct the order and manner of any sale thereof in their sole discretion or to release or substitute any one or more other guarantors or obligors upon or in respect of the Obligations, all without affecting the obligations of any Guarantor hereunder.

(b) To the fullest extent permitted by applicable law, each Guarantor waives any defense based on or arising out of any defense of the Borrower or any other Loan Party or the unenforceability of the Obligations or any part thereof from any cause, or the cessation from any cause of the liability of the Borrower or any other Loan Party, other than the indefeasible payment in full in cash of all the Obligations. The Collateral Agent and the other Secured Parties may, at their election, foreclose on any security held by one or more of them by one or more judicial or nonjudicial sales, accept an assignment of any such security in lieu of foreclosure, compromise or adjust any part of the Obligations, make any other accommodation with the Borrower or any other Loan Party or exercise any other right or remedy available to them against the Borrower or any other Loan Party, without affecting or impairing in any way the liability of any Guarantor hereunder except to the extent the Obligations have been fully and indefeasibly paid in full in cash. To the fullest extent permitted by applicable law, each Guarantor waives any defense arising out of any such election even though such election operates, pursuant to applicable law, to impair or to extinguish any right of reimbursement or subrogation or other right or remedy of such Guarantor against the Borrower or any other Loan Party, as the case may be, or any security.

SECTION 2.04. Reinstatement. Each of the Guarantors agrees that its guarantee hereunder shall continue to be effective or be reinstated, as the case may be, if at any time payment, or any part thereof, of any Obligation is rescinded or must otherwise be

restored by the Collateral Agent or any other Secured Party upon the bankruptcy or reorganization of the Borrower, any other Loan Party or otherwise.

SECTION 2.05. Agreement To Pay; Subrogation. In furtherance of the foregoing and not in limitation of any other right that the Collateral Agent or any other Secured Party has at law or in equity against any Guarantor by virtue hereof, upon the failure of the Borrower or any other Loan Party to pay any Obligation when and as the same shall become due, whether at maturity, by acceleration, after notice of prepayment or otherwise, each Guarantor hereby promises to and will forthwith pay, or cause to be paid, to the Collateral Agent for distribution to the applicable Secured Parties in cash the amount of such unpaid Obligation. Upon payment by any Guarantor of any sums to the Collateral Agent as provided above, all rights of such Guarantor against the Borrower or any other Guarantor arising as a result thereof by way of right of subrogation, contribution, reimbursement, indemnity or otherwise shall in all respects be subject to Article VI.

SECTION 2.06. Information. Each Guarantor assumes all responsibility for being and keeping itself informed of the Borrower's and each other Loan Party's financial condition and assets, and of all other circumstances bearing upon the risk of nonpayment of the Obligations and the nature, scope and extent of the risks that such Guarantor assumes and incurs hereunder, and agrees that none of the Collateral Agent or the other Secured Parties will have any duty to advise such Guarantor of information known to it or any of them regarding such circumstances or risks.

### ARTICLE III

#### Pledge of Securities

SECTION 3.01. Pledge. As security for the payment or performance, as the case may be, in full of the Obligations, each Pledgor hereby assigns and pledges to the Collateral Agent, its successors and assigns, for the benefit of the Secured Parties, and hereby grants to the Collateral Agent, its successors and assigns, for the benefit of the Secured Parties, a security interest in, all of such Pledgor's right, title and interest in, to and under (a) the Equity Interests owned by it and listed on Schedule II and any other Equity Interests (other than Excluded Equity Interests) now or at any time hereafter owned by such Pledgor (including all Equity Interests owned at any time by such Pledgor in Holly Energy Partners, L.P.), and the certificates representing all such Equity Interests (the "Pledged Equity Interests"); (b)(i) the debt securities listed opposite the name of such Pledgor on Schedule II, (ii) any other debt securities (other than the Paramount Intercompany Notes for so long as the Paramount Intercompany Notes are not pledged to any lender in support of any obligations of the Borrower or any of the Subsidiaries) now or at any time hereafter owned by such Pledgor and (iii) the promissory notes and any other instruments evidencing such debt securities (the "Pledged Debt Securities"); (c) all other property that may be delivered to and held by the Collateral Agent pursuant to the terms of this Section 3.01; (d) subject to Section 3.06, all payments of principal or interest, dividends, cash, instruments and other property from time to time received, receivable or otherwise distributed in respect of, in exchange for or upon the conversion of, and all other

Proceeds received in respect of, the securities referred to in clauses (a) and (b) above; (e) subject to Section 3.06, all rights and privileges of such Pledgor with respect to the securities and other property referred to in clauses (a), (b), (c) and (d) above; and (f) all Proceeds of any of the foregoing (the items referred to in clauses (a) through (f) above being collectively referred to as the “Pledged Collateral”).

TO HAVE AND TO HOLD the Pledged Collateral, together with all right, title, interest, powers, privileges and preferences pertaining or incidental thereto, unto the Collateral Agent, its successors and assigns, for the ratable benefit of the Secured Parties, forever; subject, however, to the terms, covenants and conditions hereinafter set forth.

SECTION 3.02. Delivery of the Pledged Collateral. (a) Each Pledgor agrees promptly to deliver or cause to be delivered to the Collateral Agent any and all Pledged Securities.

(b) Each of the Borrower and each Subsidiary Party will cause any Indebtedness for borrowed money owed to it by any person to be pledged to the Collateral Agent pursuant to the terms hereof and any obligation in an amount greater than \$250,000 included in such Indebtedness shall be evidenced by a writing (which, if such writing is a promissory note, shall be delivered to the Collateral Agent together with instruments of transfer with respect thereto endorsed in blank); provided that, for so long as the Paramount Intercompany Notes are not pledged to any lender in support of any obligations of the Borrower or any of the Subsidiaries, Paramount shall not be required to pledge the Paramount Intercompany Notes to the Collateral Agent.

(c) Upon delivery to the Collateral Agent, (i) any Pledged Securities shall, if certificated (as defined in the New York UCC), be accompanied by stock powers duly executed in blank or other instruments of transfer satisfactory to the Collateral Agent and by such other instruments and documents as the Collateral Agent may reasonably request and (ii) all other property comprising part of the Pledged Collateral shall be accompanied by proper instruments of assignment duly executed by the applicable Pledgor and such other instruments or documents as the Collateral Agent may reasonably request. Each delivery of Pledged Securities shall be accompanied by a schedule describing the Pledged Securities then or theretofore delivered, which schedule shall be attached hereto as Schedule II and made a part hereof; provided that failure to attach any such schedule hereto or any error in a schedule so attached shall not affect the validity of the pledge of any Pledged Securities. Each schedule so delivered shall supplement any prior schedules so delivered.

SECTION 3.03. Representations, Warranties and Covenants. Each Pledgor represents, warrants and covenants, as to itself and the Pledged Collateral pledged by it hereunder, to and with the Collateral Agent, for the benefit of the Secured Parties, that:

(a) Schedule II correctly sets forth, as to each issuer of Pledged Equity Interests, the percentage of the issued and outstanding Equity Interests of each class represented by the Pledged Equity Interests. Schedule II lists all Equity Interests, debt

securities and promissory notes required to be pledged hereunder in order to satisfy the Guarantee and Collateral Requirement.

(b) The Pledged Equity Interests and Pledged Debt Securities have been duly and validly authorized and issued by the issuers thereof and (i) in the case of Pledged Equity Interests, are fully paid and nonassessable and (ii) in the case of Pledged Debt Securities, are legal, valid and binding obligations of the issuers thereof.

(c) Except for the security interests granted hereunder, each of the Pledgors (i) is and, subject to any transfers made in compliance with the Credit Agreement, will continue to be the direct owner, beneficially and of record, of the Pledged Collateral indicated on Schedule II as owned by such Pledgor, (ii) holds the same free and clear of all Liens (other than Permitted Liens), (iii) will make no assignment, pledge, hypothecation or transfer of, or create or permit to exist any security interest in or other Lien on, the Pledged Collateral, other than Liens created by this Agreement and as permitted by the Credit Agreement and transfers made in compliance with the Credit Agreement, and (iv) subject to Section 3.06 and to the Bank of America Intercreditor Agreement, will cause any and all Pledged Collateral, whether for value paid by the Pledgor or otherwise, to be forthwith deposited with the Collateral Agent and pledged or assigned hereunder.

(d) Except for restrictions and limitations imposed by the Loan Documents or securities laws generally, the Pledged Collateral is and will continue to be freely transferable and assignable, and none of the Pledged Collateral is or will be subject to any option, right of first refusal, shareholders agreement, charter or by-law provisions or contractual restriction of any nature (other than those permitted under the Credit Agreement) that might prohibit, impair, delay or otherwise affect the pledge of such Pledged Collateral hereunder, the sale or disposition thereof pursuant hereto or the exercise by the Collateral Agent of rights and remedies hereunder.

(e) Each of the Pledgors (i) has the power and authority to pledge the Pledged Collateral pledged by it hereunder in the manner hereby done or contemplated and (ii) will defend its title or interest thereto or therein against any and all Liens (other than the Lien created by this Agreement and any Lien permitted by the Credit Agreement), however arising, of all persons whomsoever.

(f) No consent or approval of any other person (including stockholders, partners, members or creditors of any Pledgor), any Governmental Authority, any securities exchange or any other person was or is necessary to the validity of the pledge effected hereby (other than such as have been obtained and are in full force and effect).

(g) By virtue of the execution and delivery by the Pledgors of this Agreement, when any Pledged Securities are delivered to the Collateral Agent in accordance with this Agreement, the Collateral Agent will obtain a legal, valid and perfected first priority lien upon and security interest in such Pledged Securities as security for the payment and performance of the Obligations.

(h) The pledge effected hereby is effective to vest in the Collateral Agent, for the benefit of the Secured Parties, the rights of the Collateral Agent in the Pledged Collateral as set forth herein.

SECTION 3.04. CERTIFICATION OF LIMITED LIABILITY COMPANY AND LIMITED PARTNERSHIP INTERESTS.

(a) WITH RESPECT TO EACH INTEREST IN ANY LIMITED LIABILITY COMPANY OR LIMITED PARTNERSHIP CONTROLLED BY ANY PLEDGOR AND PLEDGED HEREUNDER THAT IS REPRESENTED BY A CERTIFICATE, THE ORGANIZATIONAL DOCUMENTS OF SUCH LIMITED LIABILITY COMPANY OR LIMITED PARTNERSHIP SHALL INCLUDE AN EXPRESS PROVISION PROVIDING THAT EACH INTEREST IN SUCH ENTITY “IS A SECURITY GOVERNED BY ARTICLE 8 OF THE UNIFORM COMMERCIAL CODE IN EFFECT IN THE STATE OF NEW YORK ON THE DATE HEREOF”.

(b) NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN, THE PARTIES HERETO ACKNOWLEDGE AND AGREE THAT THE INTERESTS IN ALON USA, LP, ALON USA DELAWARE, LLC AND HUNTINGTON E-P PIPELINE COMPANY, LLC SHALL NOT BE REPRESENTED BY A CERTIFICATE AS OF THE DATE HEREOF AND EACH PLEDGOR AGREES NOT TO TAKE ANY ACTION TO CAUSE SUCH INTERESTS TO BE SO CERTIFICATED UNLESS THE CERTIFICATES EVIDENCING SUCH INTERESTS SHALL BE SIMULTANEOUSLY PLEDGED AND DELIVERED TO THE COLLATERAL AGENT HEREUNDER.

SECTION 3.05. Registration in Nominee Name; Denominations. The Collateral Agent, on behalf of the Secured Parties, shall have the right (in its sole and absolute discretion, but subject to the Bank of America Intercreditor Agreement) to hold the Pledged Securities in its own name as pledgee, in the name of its nominee (as pledgee or as sub-agent) or in the name of the applicable Pledgor, endorsed or assigned in blank or in favor of the Collateral Agent. Each Pledgor will promptly give to the Collateral Agent copies of any notices or other communications received by it with respect to Pledged Collateral registered in the name of such Pledgor. The Collateral Agent shall at all times have the right to exchange the certificates representing Pledged Securities for certificates of smaller or larger denominations for any purpose consistent with this Agreement.

SECTION 3.06. Voting Rights; Dividends and Interest, etc. (a) Unless and until an Event of Default shall have occurred and be continuing and the Collateral Agent shall have notified the Pledgors that their rights under this Section are being suspended:

(i) Each Pledgor shall be entitled to exercise any and all voting and/or other consensual rights and powers inuring to an owner of Pledged Collateral or any part thereof for any purpose consistent with the terms of this Agreement, the Credit Agreement and the other Loan Documents; provided that such rights and powers shall not be exercised in any manner

that could materially and adversely affect the rights inuring to a holder of any Pledged Collateral or the rights and remedies of any of the Collateral Agent or the other Secured Parties under this Agreement or the Credit Agreement or any other Loan Document or the ability of the Secured Parties to exercise the same.

(ii) The Collateral Agent shall execute and deliver to each Pledgor, or cause to be executed and delivered to such Pledgor, all such proxies, powers of attorney and other instruments as such Pledgor may reasonably request for the purpose of enabling such Pledgor to exercise the voting and/or consensual rights and powers it is entitled to exercise pursuant to subparagraph (i) above.

(iii) Each Pledgor shall be entitled to receive and retain any and all dividends, interest, principal and other distributions paid on or distributed in respect of the Pledged Collateral to the extent and only to the extent that such dividends, interest, principal and other distributions are permitted by, and otherwise paid or distributed in accordance with, the terms and conditions of the Credit Agreement, the other Loan Documents and applicable laws; provided that any noncash dividends, interest, principal or other distributions that would constitute Pledged Equity Interests or Pledged Debt Securities, whether resulting from a subdivision, combination or reclassification of the outstanding Equity Interests of the issuer of any Pledged Collateral or received in exchange for Pledged Collateral or any part thereof, or in redemption thereof, or as a result of any merger, consolidation, acquisition or other exchange of assets to which such issuer may be a party or otherwise, shall be and become part of the Pledged Collateral.

(b) Upon the occurrence and during the continuance of an Event of Default, after the Collateral Agent shall have notified the Pledgors of the suspension of their rights under paragraph (a)(iii) of this Section 3.06, then all rights of any Pledgor to dividends, interest, principal or other distributions that such Pledgor is authorized to receive pursuant to paragraph (a)(iii) of this Section 3.06 shall cease, and all such rights shall thereupon become vested in the Collateral Agent, which shall (subject to the Bank of America Intercreditor Agreement) have the sole and exclusive right and authority to receive and retain such dividends, interest, principal or other distributions. All dividends, interest, principal or other distributions received by any Pledgor contrary to the provisions of this Section 3.06 shall be held in trust for the benefit of the Collateral Agent, shall be segregated from other property or funds of such Pledgor and shall (subject to the Bank of America Intercreditor Agreement) be forthwith delivered to the Collateral Agent upon demand in the form in which it shall have been received (with any necessary endorsement). Any and all money and other property paid over to or received by the Collateral Agent pursuant to the provisions of this paragraph (b) shall be retained by the Collateral Agent in an account to be established by the Collateral Agent upon receipt of such money or other property and shall be applied in accordance with the provisions of Section 5.02. After all Events of Default have been cured or waived and the applicable Pledgor or Pledgors have

delivered to the Administrative Agent certificates to that effect, the Administrative Agent shall, promptly after all such Events of Default have been cured or waived, repay to each Pledgor (without interest) all dividends, interest, principal or other distributions that such Pledgor would otherwise be permitted to retain pursuant to the terms of paragraph (a)(iii) of this Section 3.06 and that remain in such account.

(c) Upon the occurrence and during the continuance of an Event of Default, after the Collateral Agent shall have notified the Pledgors of the suspension of their rights under paragraph (a)(i) of this Section 3.06, then all rights of any Pledgor to exercise the voting and consensual rights and powers it is entitled to exercise pursuant to paragraph (a)(i) of this Section 3.06, and the obligations of the Collateral Agent under paragraph (a)(ii) of this Section 3.06, shall cease, and all such rights shall thereupon become vested in the Collateral Agent, which shall have the sole and exclusive right and authority (subject to the Bank of America Intercreditor Agreement) to exercise such voting and consensual rights and powers; provided that, unless otherwise directed by the Required Lenders, the Collateral Agent shall have the right from time to time following and during the continuance of an Event of Default to permit the Pledgors to exercise such rights. After all Events of Default have been cured or waived, the Pledgors will have the right to exercise the voting and consensual rights and powers that they would otherwise be entitled to exercise pursuant to the terms of paragraph (a)(i) above.

(d) Any notice given by the Collateral Agent to the Pledgors suspending their rights under paragraph (a) of this Section 3.06 (i) may be given by telephone if promptly confirmed in writing, (ii) may be given to one or more of the Pledgors at the same or different times and (iii) may suspend the rights of the Pledgors under paragraph (a)(i) or paragraph (a)(iii) in part without suspending all such rights (as specified by the Collateral Agent in its sole and absolute discretion) and without waiving or otherwise affecting the Collateral Agent's rights to give additional notices from time to time suspending other rights so long as an Event of Default has occurred and is continuing.

## ARTICLE IV

### Security Interests in Personal Property

SECTION 4.01. Security Interest. (a) As security for the payment or performance, as the case may be, in full of the Obligations, each Grantor hereby assigns and pledges to the Collateral Agent, its successors and assigns, for the ratable benefit of the Secured Parties, and hereby grants to the Collateral Agent, its successors and assigns, for the ratable benefit of the Secured Parties, a security interest (the "Security Interest") in, all right, title or interest in or to any and all of the following assets and properties now owned or at any time hereafter acquired by such Grantor or in which such Grantor now has or at any time in the future may acquire any right, title or interest (collectively, the "Article 9 Collateral"):

- (i) all Accounts;

- (ii) all Chattel Paper;
- (iii) all Reinvestment Accounts;
- (iv) the Term Loan Facility Concentration Account;
- (v) all other collection, deposit and commodity accounts, all cash and other property in any of the foregoing accounts, and all credit card proceeds;
- (vi) all hedging, commodity and other derivative contracts;
- (vii) all Documents;
- (viii) all Equipment;
- (ix) all General Intangibles;
- (x) all Payment Intangibles
- (xi) all Instruments;
- (xii) all Inventory;
- (xiii) all permits and licenses;
- (xiv) all Investment Property, marketable securities and Financial Assets;
- (xv) all intercompany indebtedness;
- (xvi) all Letter-of-Credit Rights;
- (xvii) such Grantor's commercial tort claims, if any;
- (xviii) the Fixed Asset Lease (including all rights of any Grantor as landlord or tenant thereunder);
- (xix) all books and records pertaining to the Article 9 Collateral; and
- (xx) to the extent not otherwise included, all Proceeds and products of any and all of the foregoing, including proceeds of all insurance policies (including policies of business interruption insurance) and all collateral security and guarantees given by any person with respect to any of the foregoing.

Notwithstanding the foregoing, "Collateral" as used herein and the defined terms used above in the description of Collateral shall not include any Account, Chattel Paper,



Document, General Intangible, Payment Intangible, Letter-of-Credit Right or Instrument of a Loan Party, in each case to the extent (but only to the extent) (A) the assignment hereunder by such Loan Party of such Account, Chattel Paper, Document, General Intangible, Payment Intangible, Letter-of-Credit Right or Instrument would result in a default thereunder whether by the terms thereof or under any provision of any contract governing such Account, Chattel Paper, Document, General Intangible, Payment Intangible, Letter-of-Credit Right or Instrument (except to the extent the provision creating such default would not be enforceable under Section 9-406, 9-407 or 9-408 of the New York UCC, in which case such Account, Chattel Paper, Document, General Intangible, Payment Intangible, Letter-of-Credit Right or Instrument shall be included in the Collateral) and (B) the assignment, or the grant of a security interest in, such Account, Chattel Paper, Document, General Intangible, Payment Intangible, Letter-of-Credit Right or Instrument is prohibited by any applicable law (all such Collateral being the “Excluded Collateral”); provided, however, that any proceeds received by any Grantor from the sale, transfer or other disposition of Excluded Collateral shall constitute Collateral unless any assets or proceeds constituting such proceeds are themselves subject to the exclusions set forth in clauses (A) and (B) above.

(b) Each Grantor hereby irrevocably authorizes the Collateral Agent at any time and from time to time to file in any relevant jurisdiction any initial financing statements (including fixture filings) and amendments thereto that contain the information required by Article 9 of the Uniform Commercial Code of each applicable jurisdiction for the filing of any financing statement or amendment, including (a) whether such Grantor is an organization, the type of organization and any organizational identification number issued to such Grantor and (b) in the case of a financing statement filed as a fixture filing, a sufficient description of the real property to which such Article 9 Collateral relates. Each Grantor agrees to provide such information to the Collateral Agent promptly upon request. Each Grantor also ratifies its authorization for the Collateral Agent to file in any relevant jurisdiction any initial financing statements or amendments thereto if filed prior to the date hereof.

In the event the Collateral Agent deems it advisable, the Collateral Agent is further authorized to file with the United States Patent and Trademark Office or United States Copyright Office (or any successor office or any similar office in any other country) all such documents as may be necessary or advisable for the purpose of perfecting, confirming, continuing, enforcing or protecting the Security Interest granted by each Grantor, without the signature of any Grantor, and naming any Grantor or the Grantors as debtors and the Collateral Agent as secured party.

(c) The Security Interest is granted as security only and shall not subject the Collateral Agent or any other Secured Party to, or in any way alter or modify, any obligation or liability of any Grantor with respect to or arising out of the Article 9 Collateral.

SECTION 4.02. Representations and Warranties. The Grantors represent and warrant to the Collateral Agent and the Secured Parties that:

(a) Each Grantor has good and valid rights in and title to the Article 9 Collateral with respect to which it has purported to grant a Security Interest hereunder and has full power and authority to grant to the Collateral Agent the Security Interest in such Article 9 Collateral pursuant hereto and to execute, deliver and perform its obligations in accordance with the terms of this Agreement, without the consent or approval of any other person other than any consent or approval that has been obtained.

(b) The Perfection Certificate has been duly prepared, completed and executed and the information set forth therein, including the exact legal name of such Grantor, is correct and complete as of the Effective Date. Uniform Commercial Code financing statements (including fixture filings, as applicable) or other appropriate filings, recordings or registrations containing a description of the Article 9 Collateral have been prepared by the Collateral Agent based upon the information provided to the Administrative Agent in the Perfection Certificate for filing in each governmental, municipal or other office specified in Schedule 2 to the Perfection Certificate (or specified by notice from the Borrower to the Collateral Agent after the Effective Date in the case of filings, recordings or registrations required by Section 5.09 of the Credit Agreement), which are all the filings, recordings and registrations (other than filings required to be made in the United States Patent and Trademark Office and the United States Copyright Office in order to perfect the Security Interest in Article 9 Collateral consisting of United States Patents, Trademarks and Copyrights) that are necessary as of the Effective Date to publish notice of and protect the validity of and to establish a legal, valid and perfected security interest in favor of the Collateral Agent (for the ratable benefit of the Secured Parties) in respect of all Article 9 Collateral in which the Security Interest may be perfected by filing, recording or registration in the United States (or any political subdivision thereof) and its territories and possessions, and no further or subsequent filing, refile, recording, rerecording, registration or reregistration is necessary in any such jurisdiction, except as provided under applicable law with respect to the filing of continuation statements.

(c) The Security Interest constitutes (i) a legal and valid security interest in all the Article 9 Collateral securing the payment and performance of the Obligations and (ii) subject to the filings described in Section 4.02(b), a perfected security interest in all Article 9 Collateral in which a security interest may be perfected by filing, recording or registering a financing statement or analogous document in the United States (or any political subdivision thereof) and its territories and possessions pursuant to the NY UCC or other applicable law in such jurisdictions. Except as otherwise provided herein, in the IDB Intercreditor Agreement and in the Bank of America Intercreditor Agreement, the Security Interest is and shall be prior to any other Lien on any of the Article 9 Collateral, other than Liens permitted under the Credit Agreement.

(d) The Article 9 Collateral is owned by the Grantors free and clear of any Lien, except for Liens expressly permitted pursuant to Section 6.08 of the Credit Agreement. None of the Grantors has filed or consented to the filing of (i) any financing

statement or analogous document under the Uniform Commercial Code as in effect in any state or any other applicable laws covering any Article 9 Collateral, (ii) any assignment in which any Grantor assigns any Collateral or any security agreement or similar instrument covering any Article 9 Collateral with the United States Patent and Trademark Office or the United States Copyright Office or (iii) any assignment in which any Grantor assigns any Article 9 Collateral or any security agreement or similar instrument covering any Article 9 Collateral with any foreign governmental, municipal or other office, which financing statement or analogous document, assignment, security agreement or similar instrument is still in effect, except, in each case, for Liens expressly permitted pursuant to Section 6.08 of the Credit Agreement. None of the Grantors hold any commercial tort claim except as indicated on the Perfection Certificate.

SECTION 4.03. Covenants. (a) Each Grantor agrees promptly to notify the Collateral Agent in writing of any change (i) in its corporate name, (ii) in its identity or corporate structure, (iii) in its Federal Taxpayer Identification Number or organizational identification number or (iv) in its jurisdiction of organization. Each Grantor agrees to promptly provide the Collateral Agent with certified organizational documents reflecting any of the changes described in the first sentence of this paragraph. Each Grantor agrees not to effect or permit any change referred to in the preceding sentence unless all filings have been made under the Uniform Commercial Code or otherwise that are required in order for the Collateral Agent to continue at all times following such change to have a valid, legal and perfected security interest in all the Article 9 Collateral. Each Grantor agrees promptly to notify the Collateral Agent if any material portion of the Article 9 Collateral owned or held by such Grantor is damaged or destroyed.

(b) Each Grantor agrees to maintain, at its own cost and expense, such complete and accurate records with respect to the Article 9 Collateral owned by it as is consistent with its current practices and in accordance with such prudent and standard practices used in industries that are the same as or similar to those in which such Grantor is engaged, but in any event to include complete accounting records indicating all payments and proceeds received with respect to any part of the Article 9 Collateral, and, at such time or times as the Collateral Agent may reasonably request, promptly to prepare and deliver to the Collateral Agent a duly certified schedule or schedules in form and detail satisfactory to the Collateral Agent showing the identity, amount and location of any and all Article 9 Collateral.

(c) Each year, at the time of delivery of annual financial statements with respect to the preceding fiscal year pursuant to Section 5.04(a) of the Credit Agreement, the Borrower shall deliver to the Collateral Agent a certificate executed by a Responsible Officer and the chief legal officer of the Borrower certifying that as of the date thereof all Uniform Commercial Code financing statements (including fixture filings, as applicable) or other appropriate filings, recordings or registrations, including all refilings, rerecordings and reregistrations, containing a description of the Collateral have been filed of record in each governmental, municipal or other appropriate office in each jurisdiction identified pursuant to Section 5.09(c) of the Credit Agreement to the extent necessary to protect and perfect the Security Interest for a period of not less than 18 months after the date of such certificate (except as noted therein with respect to any continuation statements to be filed

within such period). Each certificate delivered pursuant to this Section 4.03(c) shall identify in the format of Schedule III all Intellectual Property of any Grantor in existence on the date thereof and not then listed on such Schedules or previously so identified to the Collateral Agent.

(d) Each Grantor shall, at its own expense, take any and all actions necessary to defend title to the Article 9 Collateral against all persons and to defend the Security Interest of the Collateral Agent in the Article 9 Collateral and the priority thereof against any Lien not expressly permitted pursuant to Section 6.08 of the Credit Agreement.

(e) Each Grantor agrees, at its own expense, to execute, acknowledge, deliver and cause to be duly filed all such further instruments and documents and take all such actions as the Collateral Agent may from time to time request to better assure, preserve, protect and perfect the Security Interest and the rights and remedies created hereby, including the payment of any fees and taxes required in connection with the execution and delivery of this Agreement, the granting of the Security Interest and the filing of any financing statements (including fixture filings) or other documents in connection herewith or therewith. If any amount in excess of U.S.\$250,000 payable under or in connection with any of the Article 9 Collateral shall be or become evidenced by any promissory note or other instrument, such note or instrument shall be promptly pledged and delivered to the Collateral Agent, duly endorsed in a manner satisfactory to the Collateral Agent.

Without limiting the generality of the foregoing, each Grantor hereby authorizes the Collateral Agent, with prompt notice thereof to the Grantors, to supplement this Agreement by supplementing Schedule III or adding additional schedules hereto to specifically identify any asset or item that may constitute Copyrights, Patents or Trademarks; provided that any Grantor shall have the right, exercisable within 10 days after it has been notified by the Collateral Agent of the specific identification of such Collateral, to advise the Collateral Agent in writing of any inaccuracy of the representations and warranties made by such Grantor hereunder with respect to such Collateral. Each Grantor agrees that it will use its best efforts to take such action as shall be necessary in order that all representations and warranties hereunder shall be true and correct with respect to such Collateral within 30 days after the date it has been notified by the Collateral Agent of the specific identification of such Collateral.

(f) The Collateral Agent and such persons as the Collateral Agent may reasonably designate shall have the right, at the Grantors' own cost and expense, to inspect the Article 9 Collateral, all records related thereto (and to make extracts and copies from such records) and the premises upon which any of the Article 9 Collateral is located, to discuss the Grantors' affairs with the officers of the Grantors and their independent accountants and to verify under reasonable procedures, in accordance with Section 5.06 of the Credit Agreement, the validity, amount, quality, quantity, value, condition and status of, or any other matter relating to, the Article 9 Collateral, including, in the case of Accounts or Article 9 Collateral in the possession of any third person, by contacting Account Debtors or the third person possessing such Article 9 Collateral for the purpose of making such a verification. The Collateral Agent shall have the absolute right to share any

information it gains from such inspection or verification with any Secured Party (it being understood that any such information shall be deemed to be "Information" subject to the provisions of Section 9.16 of the Credit Agreement).

(g) At its option, the Collateral Agent may discharge past due taxes, assessments, charges, fees, Liens, security interests or other encumbrances at any time levied or placed on the Article 9 Collateral that are not being contested in accordance with Section 5.03 of the Credit Agreement and are not permitted pursuant to Section 6.08 of the Credit Agreement, and may pay for the maintenance and preservation of the Article 9 Collateral to the extent any Grantor fails to do so as required by the Credit Agreement or this Agreement, and each Grantor jointly and severally agrees to reimburse the Collateral Agent on demand for any payment made or any expense incurred by the Collateral Agent pursuant to the foregoing authorization; provided, however, that nothing in this paragraph shall be interpreted as excusing any Grantor from the performance of, or imposing any obligation on the Collateral Agent or any Secured Party to cure or perform, any covenants or other promises of any Grantor with respect to taxes, assessments, charges, fees, Liens, security interests or other encumbrances and maintenance as set forth herein or in the other Loan Documents.

(h) If at any time any Grantor shall take a security interest in any property of an Account Debtor or any other person to secure payment and performance of an Account, such Grantor shall promptly assign such security interest to the Collateral Agent. Such assignment need not be filed of public record unless necessary to continue the perfected status of the security interest against creditors of and transferees from the Account Debtor or other person granting the security interest.

(i) Each Grantor shall remain liable to observe and perform all the conditions and obligations to be observed and performed by it under each contract, agreement or instrument relating to the Article 9 Collateral, all in accordance with the terms and conditions thereof, and each Grantor jointly and severally agrees to indemnify and hold harmless the Collateral Agent and the Secured Parties from and against any and all liability for such performance.

(j) None of the Grantors shall make or permit to be made any assignment, pledge, hypothecation or transfer of the Article 9 Collateral or shall grant any other Lien in respect of the Article 9 Collateral (except as expressly permitted by Section 6.08 of the Credit Agreement) and each Grantor shall remain at all times in possession of the Article 9 Collateral owned by it, except that (i) Inventory may be sold in the ordinary course of business and (ii) unless and until the Article 9 Collateral Agent shall notify the Grantors that an Event of Default shall have occurred and be continuing and that during the continuance thereof the Grantors shall not sell, convey, lease, assign, transfer or otherwise dispose of any Article 9 Collateral (which notice may be given by telephone if promptly confirmed in writing), the Grantors may use and dispose of the Article 9 Collateral in any lawful manner not inconsistent with the provisions of this Agreement, the Credit Agreement or any other Loan Document.

(k) None of the Grantors will, without the Collateral Agent's prior written consent, grant any extension of the time of payment of any Accounts included in the Article 9 Collateral, compromise, compound or settle the same for less than the full amount thereof, release, wholly or partly, any person liable for the payment thereof or allow any credit or discount whatsoever thereon, other than extensions, credits, discounts, compromises or settlements granted or made in the ordinary course of business and consistent with its current practices and in accordance with such prudent and standard practice used in industries that are the same as or similar to those in which such Grantor is engaged.

(l) The Grantors, at their own expense, shall maintain or cause to be maintained insurance covering physical loss or damage to the Inventory and Equipment in accordance with the requirements set forth in Section 5.02 of the Credit Agreement. Each Grantor irrevocably makes, constitutes and appoints the Collateral Agent (and all officers, employees or agents designated by the Collateral Agent) as such Grantor's true and lawful agent (and attorney-in-fact) for the purpose, during the continuance of an Event of Default, of making, settling and adjusting claims in respect of Article 9 Collateral under policies of insurance, endorsing the name of such Grantor on any check, draft, instrument or other item of payment for the proceeds of such policies of insurance and for making all determinations and decisions with respect thereto. In the event that any Grantor at any time or times shall fail to obtain or maintain any of the policies of insurance required hereby or to pay any premium in whole or part relating thereto, the Collateral Agent may, without waiving or releasing any obligation or liability of the Grantors hereunder or any Event of Default, in its sole discretion, obtain and maintain such policies of insurance and pay such premium and take any other actions with respect thereto as the Collateral Agent deems advisable. All sums disbursed by the Collateral Agent in connection with this paragraph, including reasonable attorneys' fees, court costs, expenses and other charges relating thereto, shall be payable, upon demand, by the Grantors to the Collateral Agent and shall be additional Obligations secured hereby.

SECTION 4.04. Other Actions. In order to further insure the attachment, perfection and priority of, and the ability of the Collateral Agent to enforce, the Security Interest in the Article 9 Collateral, each Grantor agrees, in each case at such Grantor's own expense, to take the following actions with respect to the following Article 9 Collateral:

(a) Deposit Accounts. For each deposit account that any Grantor at any time opens or maintains, such Grantor shall cause the depository bank to agree to comply at any time with instructions from the Collateral Agent (or, with respect to deposit accounts containing Proceeds of (i) IDB Revolving Facility First Lien Collateral, the IDB Lockbox System Administrator or (ii) Bank of America Revolving Facility First Lien Collateral, the Bank of America Lockbox System Administrator) to such depository bank directing the disposition of funds from time to time credited to such deposit account, without further consent of such Grantor, pursuant to an agreement in form satisfactory to the Collateral Agent; provided that (i) such agreement shall provide that such depository bank shall agree to comply with instructions solely from the Collateral Agent after the IDB Discharge Date or the Bank of America Discharge Date, as the case may be or (ii) such agreement shall not be terminated after the IDB Discharge Date or the Bank of America

Discharge Date until an agreement is executed that provides that such depository bank shall agree to comply with instructions solely from the Collateral Agent. The Collateral Agent agrees with each Grantor that the Collateral Agent shall not give any such instructions or withhold any withdrawal rights from any Grantor unless an Event of Default has occurred and is continuing, or after giving effect to any withdrawal would occur. The provisions of this paragraph shall not apply to (A) any deposit account for which any Grantor, the depository bank and the Collateral Agent have entered into a cash collateral agreement specially negotiated among such Grantor, the depository bank and the Collateral Agent for the specific purpose set forth therein or (B) deposit accounts for which the Collateral Agent is the depository.

(b) Investment Property. Except to the extent otherwise provided in Article III, if any Grantor shall at any time hold or acquire any certificated securities, such Grantor shall forthwith endorse, assign and deliver the same to the Collateral Agent, accompanied by such instruments of transfer or assignment duly executed in blank as the Collateral Agent may from time to time specify. If any securities now or hereafter acquired by any Grantor are uncertificated and are issued to such Grantor or its nominee directly by the issuer thereof, such Grantor shall promptly notify the Collateral Agent thereof and, at the Collateral Agent's request and option, pursuant to an agreement in form and substance reasonably satisfactory to the Collateral Agent, using commercially reasonable efforts to either (a) cause the issuer to agree to comply with instructions from the Collateral Agent as to such securities, without further consent of any Grantor or such nominee, or (b) arrange for the Collateral Agent to become the registered owner of the securities. If any securities, whether certificated or uncertificated, or other Investment Property now or hereafter acquired by any Grantor are held by such Grantor or its nominee through a securities intermediary or commodity intermediary, such Grantor shall promptly notify the Collateral Agent thereof and, at the Collateral Agent's request and option, pursuant to an agreement in form and substance reasonably satisfactory to the Collateral Agent, using commercially reasonable efforts to either (i) cause such securities intermediary or (as the case may be) commodity intermediary to agree to comply with entitlement orders or other instructions from the Collateral Agent to such securities intermediary as to such securities or other investment property, or (as the case may be) to apply any value distributed on account of any commodity contract as directed by the Collateral Agent to such commodity intermediary, in each case without further consent of any Grantor or such nominee, or (ii) in the case of Financial Assets or other Investment Property held through a securities intermediary, arrange for the Collateral Agent to become the entitlement holder with respect to such investment property, with the Grantor being permitted, only with the consent of the Collateral Agent, to exercise rights to withdraw or otherwise deal with such investment property. The provisions of this paragraph shall not apply to any Financial Assets credited to a securities account for which the Collateral Agent is the securities intermediary.

(c) Electronic Chattel Paper and Transferable Records. If any Grantor at any time holds or acquires an interest in any electronic chattel paper or any "transferable record," as that term is defined in Section 201 of the Federal Electronic Signatures in Global and National Commerce Act, or in Section 16 of the Uniform Electronic Transactions Act as in effect in any relevant jurisdiction in an amount greater than

U.S.\$250,000, such Grantor shall promptly notify the Collateral Agent thereof and, at the request of the Collateral Agent, shall take such action as the Collateral Agent may reasonably request to vest in the Collateral Agent control under New York UCC Section 9-105 of such electronic chattel paper or control under Section 201 of the Federal Electronic Signatures in Global and National Commerce Act or, as the case may be, Section 16 of the Uniform Electronic Transactions Act, as so in effect in such jurisdiction, of such transferable record.

(d) Letter-of-Credit Rights. If any Grantor is at any time a beneficiary under a letter of credit now or hereafter issued in favor of such Grantor, such Grantor shall promptly notify the Collateral Agent thereof and, at the request and option of the Collateral Agent, such Grantor shall, pursuant to an agreement in form and substance reasonably satisfactory to the Collateral Agent, use commercially reasonable efforts to either (i) arrange for the issuer and any confirmer of such letter of credit to consent to an assignment to the Collateral Agent of the proceeds of any drawing under the letter of credit or (ii) arrange for the Collateral Agent to become the transferee beneficiary of the letter of credit, with the Collateral Agent agreeing, in each case, that the proceeds of any drawing under the letter of credit are to be paid to the applicable Pledgor unless an Event of Default has occurred or is continuing.

(e) Commercial Tort Claims. If any Grantor shall at any time hold or acquire a commercial tort claim, such Grantor shall promptly notify the Collateral Agent thereof in a writing signed by such Grantor including a summary description of such claim and grant to the Collateral Agent in such writing a security interest therein and in the proceeds thereof, all upon the terms of this Agreement, with such writing to be in form and substance satisfactory to the Collateral Agent.

SECTION 4.05. Covenants regarding Patent, Trademark and Copyright Collateral. (a) Each Grantor agrees that it will not, and will not permit any of its licensees to, do any act, or omit to do any act, whereby any Patent that is material to the conduct of such Grantor's business may become invalidated or dedicated to the public, and agrees that it shall continue to mark any products covered by a Patent with the relevant patent number as necessary and sufficient to establish and preserve its maximum rights under applicable patent laws except where the failure could not reasonably be expected to result in a material diminution in the value of the Collateral.

(b) Each Grantor (either itself or through its licensees or its sublicensees) will, for each Trademark material to the conduct of such Grantor's business, except where the failure could not reasonably be expected to result in a material diminution in the value of the Collateral, (i) maintain such Trademark in full force free from any claim of abandonment or invalidity for non-use, (ii) maintain the quality of products and services offered under such Trademark, (iii) display such Trademark with notice of Federal or foreign registration to the extent necessary and sufficient to establish and preserve its maximum rights under applicable law and (iv) not knowingly use or knowingly permit the use of such Trademark in violation of any third party rights.



(c) Each Grantor (either itself or through its licensees or sublicensees) will, for each work covered by a material Copyright, continue to publish, reproduce, display, adopt and distribute the work with appropriate copyright notice as necessary and sufficient to establish and preserve its maximum rights under applicable copyright laws in such a manner that could not reasonably be expected to result in a material diminution in the value of the Collateral.

(d) Each Grantor shall notify the Collateral Agent promptly if it knows or has reason to know that any Patent, Trademark or Copyright material to the conduct of its business may become abandoned, lost or dedicated to the public, 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, United States Copyright Office or any court or similar office of any country) regarding such Grantor's ownership of any Patent, Trademark or Copyright, its right to register the same, or its right to keep and maintain the same.

(e) In no event shall any Grantor, either itself or through any agent, employee, licensee or designee, file an application for any Patent, Trademark or Copyright (or for the registration of any Trademark or Copyright) with the United States Patent and Trademark Office, United States Copyright Office or any office or agency in any political subdivision of the United States or in any other country or any political subdivision thereof, unless it promptly informs the Collateral Agent, and, upon request of the Collateral Agent, executes and delivers any and all agreements, instruments, documents and papers as the Collateral Agent may request to evidence the Collateral Agent's security interest in such Patent, Trademark or Copyright, and each Grantor hereby appoints the Collateral Agent as its attorney-in-fact to execute and file such writings for the foregoing purposes, all acts of such attorney being hereby ratified and confirmed; such power, being coupled with an interest, is irrevocable.

(f) Each Grantor will take all necessary steps that are consistent with the practice in any proceeding before the United States Patent and Trademark Office, United States Copyright Office or any office or agency in any political subdivision of the United States or in any other country or any political subdivision thereof, to maintain and pursue each material application relating to the Patents, Trademarks and/or Copyrights (and to obtain the relevant grant or registration) and to maintain each issued Patent and each registration of the Trademarks and Copyrights that is material to the conduct of any Grantor's business, including timely filings of applications for renewal, affidavits of use, affidavits of incontestability and payment of maintenance fees, and, if consistent with good business judgment, to initiate opposition, interference and cancellation proceedings against third parties.

(g) In the event that any Grantor has reason to believe that any Article 9 Collateral consisting of a Patent, Trademark or Copyright material to the conduct of any Grantor's business has been or is about to be infringed, misappropriated or diluted by a third party except where the failure could not reasonably be expected to result in a material diminution in the value of the Collateral, such Grantor promptly shall notify the Collateral Agent and shall, if consistent with good business judgment, promptly sue for infringement,

misappropriation or dilution and to recover any and all damages for such infringement, misappropriation or dilution, and take such other actions as are appropriate under the circumstances to protect such Article 9 Collateral.

(h) Upon and during the continuance of an Event of Default, each Grantor shall use its commercially reasonable best efforts to obtain all requisite consents or approvals by the licensor of each Copyright, Patent or Trademark licensed to any Grantor to effect the assignment of all such Grantor's right, title and interest thereunder to the Collateral Agent or its designee.

SECTION 4.06. Lockbox Systems. (a) IDB Lockbox System. (i) The Grantors (other than the Paramount Subsidiary Parties) have established and shall at all times thereafter maintain in effect, subject to the control of the IDB Lockbox System Administrator (acting in accordance with the IDB Lockbox Agreements and the applicable provisions of the IDB Intercreditor Agreement), a system of lockboxes and related IDB Collection Deposit Accounts (the "IDB Lockbox System"), into which the Proceeds of all Accounts and Inventory of each Grantor (other than the Paramount Subsidiary Parties) shall be deposited and forwarded to the IDB Lockbox System Administrator in accordance with the IDB Lockbox Agreements.

(ii) All Proceeds of Inventory and Accounts that have been received on any Business Day through the IDB Lockbox System will be transferred at such times as shall be required by the applicable IDB Lockbox Agreement, (x) prior to the IDB Lockbox System Transition Date, to the IDB Revolving Facility Concentration Account and (y) on and after the IDB Lockbox System Transition Date, to the Term Loan Facility Concentration Account; provided that such IDB Lockbox Agreement shall not be terminated after the IDB Discharge Date until an agreement is executed that provides that such Proceeds shall be transferred to the Term Loan Facility Concentration Account after the IDB Discharge Date. All Proceeds received on any Business Day by the IDB Lockbox System Administrator (or an IDB Sub-Agent, as the case may be) pursuant to Section 4.07 will also be transferred into the IDB Revolving Facility Concentration Account or the Term Loan Facility Concentration Account, as the case may be, on such Business Day.

(iii) Subject to the provisions contained herein, the Term Loan Facility Concentration Account shall be under the sole dominion and control of the Collateral Agent and the IDB Revolving Facility Concentration Account shall be under the sole dominion and control of the IDB Revolving Facility Collateral Agent. Each Grantor (other than the Paramount Subsidiary Parties) acknowledges and agrees that (x) such Grantor has no right of withdrawal from the Term Loan Facility Concentration Account or the IDB Revolving Facility Concentration Account, (y) the funds on deposit in the Term Loan Facility Concentration Account and the IDB Revolving Facility Concentration Account shall continue to be collateral security for the Obligations and (z) upon the

occurrence and during the continuance of an Event of Default, at the Collateral Agent's election, the funds on deposit in the Term Loan Facility Concentration Account (and, after the IDB Lockbox System Transition Date, the funds on deposit in the IDB Revolving Facility Concentration Account) shall be applied as provided in Section 5.02. So long as no Event of Default has occurred and is continuing, the Collateral Agent shall promptly remit any funds on deposit in the Term Loan Facility Concentration Account to the Borrower.

(iv) Effective upon notice to the Grantors (other than the Paramount Subsidiary Parties) from the IDB Lockbox System Administrator, after the occurrence and during the continuance of an Event of Default (which notice may be given by telephone if promptly confirmed in writing), each IDB Collection Deposit Account, the Term Loan Facility Concentration Account and the IDB Revolving Facility Concentration Account will, without any further action on the part of any Grantor, the Collateral Agent, the IDB Revolving Facility Collateral Agent or any IDB Sub-Agent, convert into a closed account under the exclusive dominion and control of the Collateral Agent or the IDB Revolving Facility Collateral Agent, as the case may be, in which funds are held subject to the rights of the Secured Parties and the IDB Revolving Facility Secured Parties. Each Grantor (other than the Paramount Subsidiary Parties) irrevocably authorizes the Collateral Agent and the IDB Revolving Facility Collateral Agent to notify each IDB Sub-Agent (x) of the occurrence of and during the continuance of an Event of Default and (y) of the matters referred to in this paragraph (iv). Following the occurrence of and during the continuance of an Event of Default, the IDB Lockbox System Administrator may instruct each IDB Sub-Agent to transfer immediately all funds held in each IDB Collection Deposit Account to the Term Loan Concentration Account or the IDB Revolving Facility Concentration Account, as applicable.

(b) Bank of America Lockbox System. (i) The Paramount Subsidiary Parties have established and shall at all times hereafter maintain in effect, subject to the control of the Bank of America Lockbox System Administrator (acting in accordance with Section 11(a) of the Security Agreement (as defined in the Bank of America Agreement), the Bank of America Lockbox Agreement and the applicable provisions of the Bank of America Intercreditor Agreement), a system of lockboxes and related Bank of America Collection Deposit Accounts (the "Bank of America Lockbox System"), into which the Proceeds of all Accounts and Inventory of each Paramount Subsidiary Party shall be deposited and forwarded to the Bank of America Lockbox System Administrator in accordance with the Bank of America Lockbox Agreement and the springing Blocked Account Agreement (as defined in the Bank of America Agreement).

(ii) All Proceeds of Inventory and Accounts that have been received on any Business Day through the Bank of America Lockbox System will be transferred at such times as shall be required by the

applicable Bank of America Lockbox Agreement, (x) prior to the Bank of America Lockbox System Transition Date, to the Bank of America Revolving Facility Concentration Account and (y) on and after the Bank of America Lockbox System Transition Date, to the Term Loan Facility Concentration Account; provided that such Bank of America Lockbox Agreement shall not be terminated after the Bank of America Discharge Date until an agreement is executed that provides that such Proceeds shall be transferred to the Term Loan Facility Concentration Account after the Bank of America Discharge Date. All Proceeds received on any Business Day by the Bank of America Lockbox System Administrator (or a Bank of America Sub-Agent, as the case may be) pursuant to Section 4.07 will also be transferred into the Bank of America Revolving Facility Concentration Account or the Term Loan Facility Concentration Account, as the case may be, on such Business Day.

(iii) Subject to the provisions contained herein, the Term Loan Facility Concentration Account shall be under the sole dominion and control of the Collateral Agent and the Bank of America Revolving Facility Concentration Account shall be under the sole dominion and control of the Bank of America Revolving Facility Collateral Agent. Each Paramount Subsidiary Party acknowledges and agrees that (x) such Paramount Subsidiary Party has no right of withdrawal from the Term Loan Facility Concentration Account or the Bank of America Revolving Facility Concentration Account, (y) the funds on deposit in the Term Loan Facility Concentration Account and the Bank of America Revolving Facility Concentration Account shall continue to be collateral security for the Obligations and (z) upon the occurrence and during the continuance of an Event of Default, at the Collateral Agent's election, the funds on deposit in the Term Loan Facility Concentration Account (and, after the Bank of America Lockbox System Transition Date, the funds on deposit in the Bank of America Revolving Facility Concentration Account) shall be applied as provided in Section 5.02. So long as no Event of Default has occurred and is continuing, the Collateral Agent shall promptly remit any funds on deposit in the Term Loan Facility Concentration Account to the Borrower.

(iv) Effective upon notice to the Paramount Subsidiary Parties from the Bank of America Lockbox System Administrator, after the occurrence and during the continuance of an Event of Default (which notice may be given by telephone if promptly confirmed in writing), each Bank of America Collection Deposit Account, the Term Loan Facility Concentration Account and the Bank of America Revolving Facility Concentration Account will, without any further action on the part of any Grantor, the Collateral Agent, the Bank of America Revolving Facility Collateral Agent or any Bank of America Sub-Agent, convert into a closed account under the exclusive dominion and control of the Collateral Agent or the Bank of America Revolving Facility Collateral Agent, as the case

may be, in which funds are held subject to the rights of the Secured Parties and the Bank of America Revolving Facility Secured Parties. Each Paramount Subsidiary Party irrevocably authorizes the Collateral Agent and the Bank of America Revolving Facility Collateral Agent to notify each Bank of America Sub-Agent (x) of the occurrence of and during the continuance of an Event of Default and (y) of the matters referred to in this paragraph (iv). Following the occurrence of and during the continuance of an Event of Default, the Bank of America Lockbox System Administrator may instruct each Bank of America Sub-Agent to transfer immediately all funds held in each Bank of America Collection Deposit Account to the Term Loan Concentration Account or the Bank of America Revolving Facility Concentration Account, as applicable.

SECTION 4.07. Collections. (a) IDB Collections. (i) Each Grantor (other than the Paramount Subsidiary Parties) agrees (A) to notify and direct promptly each Account Debtor and every other person obligated to make payments on Accounts or in respect of any Inventory to make all such payments directly to one or more IDB Collection Deposit Accounts that are part of the IDB Lockbox System established in accordance with Section 4.06(a), (B) to use all reasonable efforts to cause each Account Debtor and every other person identified in clause (i) above to make all payments with respect to Accounts and Inventory directly to one or more such IDB Collection Deposit Accounts and (C) promptly to deposit all payments received by it on account of Accounts and Inventory, whether in the form of cash, checks, notes, drafts, bills of exchange, money orders or otherwise, in one or more such IDB Collection Deposit Accounts in precisely the form in which received (but with any endorsements of such Grantor necessary for deposit or collection), and until they are so deposited such payments shall be held in trust by such Grantor for and as the property of the IDB Lockbox System Administrator.

(ii) Without the prior written consent of the IDB Lockbox System Administrator, no Grantor (other than the Paramount Subsidiary Parties) shall, in a manner adverse to the Lenders, change the general instructions given to Account Debtors in respect of payment on Accounts to be deposited in the IDB Lockbox System. Until the IDB Lockbox System Administrator shall have advised any Grantor to the contrary, each Grantor (other than the Paramount Subsidiary Parties) shall, and the Collateral Agent, to the extent acting in its capacity as the IDB Lockbox System Administrator, hereby authorizes each Grantor (other than the Paramount Subsidiary Parties) to, enforce and collect all amounts owing on the Inventory and Accounts, for the benefit and on behalf of the IDB Lockbox System Administrator, the IDB Revolving Facility Secured Parties and the Secured Parties; provided, however, that such privilege may at the option of the IDB Lockbox System Administrator be terminated upon the occurrence and during the continuance of any Event of Default.

(b) Bank of America Collections. (i) Each Paramount Subsidiary Party agrees (A) to notify and direct promptly each Account Debtor and every other person

obligated to make payments on Accounts or in respect of any Inventory to make all such payments directly to one or more Bank of America Collection Deposit Accounts that are part of the Bank of America Lockbox System established in accordance with Section 4.06(b), (B) to use all reasonable efforts to cause each Account Debtor and every other person identified in clause (i) above to make all payments with respect to Accounts and Inventory directly to one or more such Bank of America Collection Deposit Accounts and (C) promptly to deposit all payments received by it on account of Accounts and Inventory, whether in the form of cash, checks, notes, drafts, bills of exchange, money orders or otherwise, in one or more such Bank of America Collection Deposit Accounts in precisely the form in which received (but with any endorsements of such Paramount Subsidiary Party necessary for deposit or collection), and until they are so deposited such payments shall be held in trust by such Paramount Subsidiary Party for and as the property of the Bank of America Lockbox System Administrator.

(ii) Without the prior written consent of the Bank of America Lockbox System Administrator, no Paramount Subsidiary Party shall, in a manner adverse to the Lenders, change the general instructions given to Account Debtors in respect of payment on Accounts to be deposited in the Bank of America Lockbox System. Until the Bank of America Lockbox System Administrator shall have advised the Paramount Subsidiary Party to the contrary, each Paramount Subsidiary Party shall, and the Collateral Agent, to the extent acting in its capacity as the Bank of America Lockbox System Administrator, hereby authorizes each Paramount Subsidiary Party to, enforce and collect all amounts owing on the Inventory and Accounts, for the benefit and on behalf of the Bank of America Lockbox System Administrator, the Bank of America Revolving Facility Secured Parties and the Secured Parties; provided, however, that such privilege may at the option of the Bank of America Lockbox System Administrator be terminated upon the occurrence and during the continuance of any Event of Default.

SECTION 4.08. Consent. Each Grantor that is a party to the Fixed Asset Lease hereby (i) consents to the granting hereunder and under the other Security Documents of security interests in all the right, title and interest thereunder of each other Grantor that is a party to the Fixed Asset Lease and (ii) covenants to deliver, promptly upon the request of the Collateral Agent, an estoppel certificate in accordance with the provisions of Section 14.4 of the Fixed Asset Lease and any other document required thereunder.

## ARTICLE V

### Remedies

SECTION 5.01. Remedies upon Default. Upon the occurrence and during the continuance of an Event of Default, each Grantor agrees to deliver each item of Collateral (other than (a) prior to the IDB Discharge Date, the IDB Revolving Facility

First Lien Collateral and (b) prior to the Bank of America Discharge Date, the Bank of America Revolving Facility First Lien Collateral) to the Collateral Agent on demand, and it is agreed that the Collateral Agent shall have the right to take any of or all the following actions at the same or different times: (a) with respect to any Article 9 Collateral consisting of Intellectual Property, if any, to cause the Security Interest, on demand, to become an assignment, transfer and conveyance of any of or all such Article 9 Collateral by the applicable Grantors to the Collateral Agent, or to license or sublicense, whether general, special or otherwise, and whether on an exclusive or nonexclusive basis, any such Article 9 Collateral throughout the world on such terms and conditions and in such manner as the Collateral Agent shall determine (other than in violation of any then-existing licensing arrangements to the extent that waivers cannot be obtained), and (b) except as provided above, with or without legal process and with or without prior notice or demand for performance, to take possession of the Article 9 Collateral and without liability for trespass to enter any premises where the Article 9 Collateral may be located for the purpose of taking possession of or removing the Article 9 Collateral and, generally, to exercise any and all rights afforded to a secured party under the Uniform Commercial Code or other applicable law. Without limiting the generality of the foregoing, each Grantor agrees that the Collateral Agent shall have the right, subject to the mandatory requirements of applicable law, to sell or otherwise dispose of all or any part of the Collateral at a public or private sale or at any broker's board or on any securities exchange, for cash, upon credit or for future delivery as the Collateral Agent shall deem appropriate. The Collateral Agent shall be authorized at any such sale (if it deems it advisable to do so) to restrict the prospective bidders or purchasers to persons who will represent and agree that they are purchasing the Collateral for their own account for investment and not with a view to the distribution or sale thereof, and upon consummation of any such sale the Collateral Agent shall have the right to assign, transfer and deliver to the purchaser or purchasers thereof the Collateral so sold. Each such purchaser at any such sale shall hold the property sold absolutely, free from any claim or right on the part of any Grantor, and the Grantors hereby waive (to the extent permitted by law) all rights of redemption, stay and appraisal which such Grantor now has or may at any time in the future have under any rule of law or statute now existing or hereafter enacted.

The Collateral Agent shall give the applicable Grantors 10 days' written notice (which each Grantor agrees is reasonable notice within the meaning of Section 9-611 of the New York UCC or its equivalent in other jurisdictions) of the Collateral Agent's intention to make any sale of Collateral. Such notice, in the case of a public sale, shall state the time and place for such sale and, in the case of a sale at a broker's board or on a securities exchange, shall state the board or exchange at which such sale is to be made and the day on which the Collateral, or portion thereof, will first be offered for sale at such board or exchange. Any such public sale shall be held at such time or times within ordinary business hours and at such place or places as the Collateral Agent may fix and state in the notice (if any) of such sale. At any such sale, the Collateral or portion thereof, to be sold may be sold in one lot as an entirety or in separate parcels, as the Collateral Agent may (in its sole and absolute discretion) determine. The Collateral Agent shall not be obligated to make any sale of any Collateral if it shall determine not to do so, regardless of the fact that notice of sale of such Collateral shall have been given. The Collateral Agent may, without notice or publication, adjourn any

public or private sale or cause the same to be adjourned from time to time by announcement at the time and place fixed for sale, and such sale may, without further notice, be made at the time and place to which the same was so adjourned. In case any sale of all or any part of the Collateral is made on credit or for future delivery, the Collateral so sold may be retained by the Collateral Agent until the sale price is paid by the purchaser or purchasers thereof, but the Collateral Agent shall not incur any liability in case any such purchaser or purchasers shall fail to take up and pay for the Collateral so sold and, in case of any such failure, such Collateral may be sold again upon like notice. At any public (or, to the extent permitted by law, private) sale made pursuant to this Section, any Secured Party may bid for or purchase, free (to the extent permitted by law) from any right of redemption, stay, valuation or appraisal on the part of any Grantor (all said rights being also hereby waived and released to the extent permitted by law), the Collateral or any part thereof offered for sale and may make payment on account thereof by using any claim then due and payable to such Secured Party from any Grantor as a credit against the purchase price, and such Secured Party may, upon compliance with the terms of sale, hold, retain and dispose of such property without further accountability to any Grantor therefor. For purposes hereof, a written agreement to purchase the Collateral or any portion thereof shall be treated as a sale thereof; the Collateral Agent shall be free to carry out such sale pursuant to such agreement and no Grantor shall be entitled to the return of the Collateral or any portion thereof subject thereto, notwithstanding the fact that after the Collateral Agent shall have entered into such an agreement all Events of Default shall have been remedied and the Obligations paid in full. As an alternative to exercising the power of sale herein conferred upon it, the Collateral Agent may proceed by a suit or suits at law or in equity to foreclose this Agreement and to sell the Collateral or any portion thereof pursuant to a judgment or decree of a court or courts having competent jurisdiction or pursuant to a proceeding by a court-appointed receiver. Any sale pursuant to the provisions of this Section 5.01 shall be deemed to conform to the commercially reasonable standards as provided in Section 9-610(b) of the New York UCC or its equivalent in other jurisdictions.

SECTION 5.02. Application of Proceeds. The Collateral Agent shall apply all proceeds that it shall receive from any collection or sale of Collateral, as well as any Collateral consisting of cash, as follows (but subject to the provisions of the IDB Intercreditor Agreement and the Bank of America Intercreditor Agreement):

FIRST, to the payment of all costs and expenses incurred by the Collateral Agent in connection with such collection or sale or otherwise in connection with this Agreement, any other Loan Document or any of the Obligations, including all court costs and the fees and expenses of its agents and legal counsel, the repayment of all advances made by the Collateral Agent hereunder or under any other Loan Document on behalf of any Grantor and any other costs or expenses incurred in connection with the exercise of any right or remedy hereunder or under any other Loan Document;

SECOND, to the payment in full of the Obligations (the amounts so applied to be distributed among the Secured Parties pro rata in



accordance with the amounts of the Obligations owed to them on the date of any such distribution); and

THIRD, to the Grantors, their successors or assigns, or as a court of competent jurisdiction may otherwise direct.

The Collateral Agent shall have absolute discretion as to the time of application of any such proceeds, moneys or balances in accordance with this Agreement. Upon any sale of Collateral by the Collateral Agent (including pursuant to a power of sale granted by statute or under a judicial proceeding), the receipt of the Collateral Agent or of the officer making the sale shall be a sufficient discharge to the purchaser or purchasers of the Collateral so sold and such purchaser or purchasers shall not be obligated to see to the application of any part of the purchase money paid over to the Collateral Agent or such officer or be answerable in any way for the misapplication thereof.

SECTION 5.03. Grant of License to Use Intellectual Property. For the purpose of enabling the Collateral Agent to exercise rights and remedies under this Article at such time as the Collateral Agent shall be lawfully entitled to exercise such rights and remedies, each Grantor hereby grants to the Collateral Agent an irrevocable, nonexclusive license (exercisable without payment of royalty or other compensation to the Grantors) to use, license or sublicense any of the Article 9 Collateral consisting of Intellectual Property now owned or hereafter acquired by such Grantor, and wherever the same may be located, and including in such license reasonable access to all media in which any of the licensed items may be recorded or stored and to all computer software and programs used for the compilation or printout thereof, except with respect to any license agreement which by its terms prohibits assignment or a grant of security interest by such Grantor as licensee thereunder and such prohibition is not void under applicable law. The use of such license by the Collateral Agent shall be exercised, at the option of the Collateral Agent, upon the occurrence and during the continuation of an Event of Default; provided that any license, sublicense or other transaction entered into by the Collateral Agent in accordance herewith shall be binding upon the Grantors notwithstanding any subsequent cure of an Event of Default.

SECTION 5.04. Securities Act, etc. In view of the position of the Grantors in relation to the Pledged Collateral, or because of other current or future circumstances, a question may arise under the Securities Act of 1933, as now or hereafter in effect, or any similar statute hereafter enacted analogous in purpose or effect (such Act and any such similar statute as from time to time in effect being called the "Federal Securities Laws") with respect to any disposition of the Pledged Collateral permitted hereunder. Each Grantor understands that compliance with the Federal Securities Laws might very strictly limit the course of conduct of the Collateral Agent if the Collateral Agent were to attempt to dispose of all or any part of the Pledged Collateral, and might also limit the extent to which or the manner in which any subsequent transferee of any Pledged Collateral could dispose of the same. Similarly, there may be other legal restrictions or limitations affecting the Collateral Agent in any attempt to dispose of all or part of the Pledged Collateral under applicable Blue Sky or other state securities laws or similar laws analogous in purpose or effect. Each Grantor recognizes that in light of such restrictions

and limitations the Collateral Agent may, with respect to any sale of the Pledged Collateral, limit the purchasers to those who will agree, among other things, to acquire such Pledged Collateral for their own account, for investment, and not with a view to the distribution or resale thereof. Each Pledgor acknowledges and agrees that in light of such restrictions and limitations, the Collateral Agent, in its sole and absolute discretion (a) may proceed to make such a sale whether or not a registration statement for the purpose of registering such Pledged Collateral or part thereof shall have been filed under the Federal Securities Laws and (b) may approach and negotiate with a single potential purchaser to effect such sale. Each Grantor acknowledges and agrees that any such sale might result in prices and other terms less favorable to the seller than if such sale were a public sale without such restrictions. In the event of any such sale, the Collateral Agent shall incur no responsibility or liability for selling all or any part of the Pledged Collateral at a price that the Collateral Agent, in its sole and absolute discretion, may in good faith deem reasonable under the circumstances, notwithstanding the possibility that a substantially higher price might have been realized if the sale were deferred until after registration as aforesaid or if more than a single purchaser were approached. The provisions of this Section 5.04 will apply notwithstanding the existence of a public or private market upon which the quotations or sales prices may exceed substantially the price at which the Collateral Agent sells.

## ARTICLE VI

### Indemnity, Subrogation, Contribution and Subordination

SECTION 6.01. Indemnity and Subrogation. In addition to all such rights of indemnity and subrogation as the Guarantors may have under applicable law (but subject to Section 6.03), the Borrower agrees that (a) in the event a payment shall be made by any Guarantor under this Agreement, the Borrower shall indemnify such Guarantor for the full amount of such payment and such Guarantor shall be subrogated to the rights of the person to whom such payment shall have been made to the extent of such payment and (b) in the event any assets of any Guarantor shall be sold pursuant to any Security Document to satisfy in whole or in part a claim of any Secured Party, the Borrower shall indemnify such Guarantor in an amount equal to the greater of the book value or the fair market value of the assets so sold.

SECTION 6.02. Contribution and Subrogation. Each Guarantor (a “Contributing Guarantor”) agrees (subject to Section 6.03) that, in the event a payment shall be made by any other Guarantor hereunder in respect of any Obligation or assets of any other Guarantor shall be sold pursuant to any Security Document to satisfy any Obligation owed to any Secured Party and such other Guarantor (the “Claiming Guarantor”) shall not have been fully indemnified by the Borrower as provided in Section 6.01, the Contributing Guarantor shall indemnify the Claiming Guarantor in an amount equal to the amount of such payment or the greater of the book value or the fair market value of such assets, as the case may be, in each case multiplied by a fraction of which the numerator shall be the net worth of the Contributing Guarantor on the date hereof (or, in the case of any Guarantor becoming a party hereto pursuant to Section 7.16,

the date of the Supplement hereto executed and delivered by such Guarantor) and the denominator shall be the aggregate net worth of all the Guarantors on the date hereof (or, in the case of any Guarantor becoming a party hereto pursuant to Section 7.16, the date of the Supplement hereto executed and delivered by such Guarantor). Any Contributing Guarantor making any payment to a Claiming Guarantor pursuant to this Section 6.02 shall be subrogated to the rights of such Claiming Guarantor under Section 6.01 to the extent of such payment.

SECTION 6.03. Subordination. (a) Notwithstanding any provision of this Agreement to the contrary, all rights of the Guarantors under Sections 6.01 and 6.02 and all other rights of indemnity, contribution or subrogation under applicable law or otherwise shall be fully subordinated to the indefeasible payment in full in cash of the Obligations. No failure on the part of the Borrower or any Guarantor to make the payments required by Sections 6.01 and 6.02 (or any other payments required under applicable law or otherwise) shall in any respect limit the obligations and liabilities of any Guarantor with respect to its obligations hereunder, and each Guarantor shall remain liable for the full amount of the obligations of such Guarantor hereunder.

(b) Each of the Borrower and the Subsidiary Parties hereby agrees that all Indebtedness and other monetary obligations owed by it to the Borrower or any Subsidiary shall be fully subordinated to the indefeasible payment in full in cash of the Obligations.

## ARTICLE VII

### Miscellaneous

SECTION 7.01. Notices. All communications and notices hereunder shall (except as otherwise expressly permitted herein) be in writing and given as provided in Section 9.01 of the Credit Agreement. All communications and notices hereunder to any Subsidiary Party shall be given to it in care of the Borrower as provided in Section 9.01 of the Credit Agreement.

SECTION 7.02. Security Interest Absolute. All rights of the Collateral Agent hereunder, the Security Interest, the grant of a security interest in the Collateral and all obligations of each Grantor and Pledgor hereunder shall be absolute and unconditional irrespective of (a) any lack of validity or enforceability of the Credit Agreement, any other Loan Document, any agreement with respect to any of the Obligations or any other agreement or instrument relating to any of the foregoing, (b) any change in the time, manner or place of payment of, or in any other term of, all or any of the Obligations, or any other amendment or waiver of or any consent to any departure from the Credit Agreement, any other Loan Document or any other agreement or instrument, (c) any exchange, release or non-perfection of any Lien on other collateral, or any release or amendment or waiver of or consent under or departure from any guarantee, securing or guaranteeing all or any of the Obligations, or (d) any other circumstance that might otherwise constitute a defense available to, or a discharge of, any Grantor or Pledgor in respect of the Obligations or this Agreement.

SECTION 7.03. Survival of Agreement. All covenants, agreements, representations and warranties made by any Grantor or Pledgor and in the certificates or other instruments prepared or delivered in connection with or pursuant to this Agreement shall be considered to have been relied upon by the Secured Parties hereto and shall survive the execution and delivery of the Loan Documents and the making of any Loans, regardless of any investigation made by any such other party or on its behalf and notwithstanding that the Collateral Agent or any Lender may have had notice or knowledge of any Default or incorrect representation or warranty at the time any credit is extended under the Credit Agreement, and shall continue in full force and effect as long as the principal of or any accrued interest on any Loan or any fee or any other amount payable under any Loan Document is outstanding and unpaid and so long as the Commitments have not expired or terminated.

SECTION 7.04. Binding Effect; Several Agreement. This Agreement shall become effective as to any Grantor or Pledgor when a counterpart hereof executed on behalf of such Grantor or Pledgor shall have been delivered to the Collateral Agent and a counterpart hereof shall have been executed on behalf of the Collateral Agent, and thereafter shall be binding upon such Grantor or Pledgor, as applicable, and the Collateral Agent and their respective permitted successors and assigns, and shall inure to the benefit of such Grantor or Pledgor, the Collateral Agent and the other Secured Parties and their respective successors and assigns, except that no Grantor or Pledgor shall have the right to assign or transfer its rights or obligations hereunder or any interest herein or in the Collateral (and any such assignment or transfer shall be void) except as expressly contemplated by this Agreement or the Credit Agreement. This Agreement shall be construed as a separate agreement with respect to each Grantor or Pledgor and may be amended, modified, supplemented, waived or released with respect to any Grantor or Pledgor without the approval of any other Grantor or Pledgor and without affecting the obligations of any other Grantor or Pledgor hereunder.

SECTION 7.05. Successors and Assigns. Whenever in this Agreement any of the parties hereto is referred to, such reference shall be deemed to include the permitted successors and assigns of such party; and all covenants, promises and agreements by or on behalf of any Grantor or Pledgor or the Collateral Agent that are contained in this Agreement shall bind and inure to the benefit of their respective successors and assigns.

SECTION 7.06. Collateral Agent's Fees and Expenses; Indemnification.  
(a) The parties hereto agree that the Collateral Agent shall be entitled to reimbursement of its expense incurred hereunder as provided in Section 9.05 of the Credit Agreement.

(b) Without limitation of its indemnification obligations under the other Loan Documents, each Grantor and each Pledgor jointly and severally agrees to indemnify the Collateral Agent and the other Indemnitees (as defined in Section 9.05 of the Credit Agreement) against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses, including the fees, charges and disbursements of any counsel for any Indemnitee, incurred by or asserted against any Indemnitee arising out of, in connection with, or as a result of, the execution, delivery or performance of this

Agreement or any agreement, instrument or transaction contemplated hereby or any claim, litigation, investigation or proceeding relating to this Agreement or any such other agreement, instrument or transaction or to the Collateral, whether or not any Indemnitee is a party thereto; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or wilful misconduct of such Indemnitee.

(c) Any such amounts payable as provided hereunder shall be additional Obligations secured hereby and by the other Security Documents. The provisions of this Section 7.06 shall remain operative and in full force and effect regardless of the termination of this Agreement or any other Loan Document, the consummation of the transactions contemplated hereby, the repayment of any of the Obligations, the invalidity or unenforceability of any term or provision of this Agreement or any other Loan Document, or any investigation made by or on behalf of the Collateral Agent or any other Secured Party. All amounts due under this Section 7.06 shall be payable on written demand therefor.

SECTION 7.07. Collateral Agent Appointed Attorney-in-Fact. Each Grantor and each Pledgor hereby appoints the Collateral Agent the attorney-in-fact of such Grantor or Pledgor for the purpose of carrying out the provisions of this Agreement and taking any action and executing any instrument that the Collateral Agent may deem necessary or advisable to accomplish the purposes hereof, which appointment is irrevocable and coupled with an interest. Without limiting the generality of the foregoing, the Collateral Agent shall have the right, upon the occurrence and during the continuance of an Event of Default, with full power of substitution either in the Collateral Agent's name or in the name of such Grantor (a) to receive, endorse, assign and/or deliver any and all notes, acceptances, checks, drafts, money orders or other evidences of payment relating to the Collateral or any part thereof; (b) to demand, collect, receive payment of, give receipt for and give discharges and releases of all or any of the Collateral; (c) to sign the name of any Grantor on any invoice or bill of lading relating to any of the Collateral; (d) to send verifications of Accounts to any Account Debtor; (e) to commence and prosecute any and all suits, actions or proceedings at law or in equity in any court of competent jurisdiction to collect or otherwise realize on all or any of the Collateral or to enforce any rights in respect of any Collateral; (f) to settle, compromise, compound, adjust or defend any actions, suits or proceedings relating to all or any of the Collateral; (g) to notify, or to require any Grantor to notify, Account Debtors to make payment directly to the Collateral Agent; and (h) to use, sell, assign, transfer, pledge, make any agreement with respect to or otherwise deal with all or any of the Collateral, and to do all other acts and things necessary to carry out the purposes of this Agreement, as fully and completely as though the Collateral Agent were the absolute owner of the Collateral for all purposes; provided, that nothing herein contained shall be construed as requiring or obligating the Collateral Agent to make any commitment or to make any inquiry as to the nature or sufficiency of any payment received by the Collateral Agent, or to present or file any claim or notice, or to take any action with respect to the Collateral or any part thereof or the moneys due or to become due in respect thereof or any property covered thereby. The Collateral Agent and the other Secured Parties shall be accountable only for amounts actually received as a

result of the exercise of the powers granted to them herein, and neither they nor their officers, directors, employees or agents shall be responsible to any Grantor or Pledgor for any act or failure to act hereunder, except for their own gross negligence or wilful misconduct. It is understood and agreed that the appointment of the Collateral Agent as the agent and attorney-in-fact of the Grantors for the purposes set forth above is coupled with an interest and is irrevocable.

SECTION 7.08. Governing Law. THIS AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK.

SECTION 7.09. Waivers; Amendment. (a) No failure or delay by the Collateral Agent or any Lender in exercising any right or power hereunder or under any other Loan Document shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Collateral Agent and the Lenders hereunder and under the other Loan Documents are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of any Loan Document or consent to any departure by any Loan Party therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) of this Section, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Without limiting the generality of the foregoing, the making of a Loan shall not be construed as a waiver of any Default, regardless of whether the Collateral Agent or any Lender may have had notice or knowledge of such Default at the time. No notice or demand on any Loan Party in any case shall entitle any Loan Party to any other or further notice or demand in similar or other circumstances.

(b) Neither this Agreement nor any provision hereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by the Collateral Agent and the Loan Party or Loan Parties with respect to which such waiver, amendment or modification is to apply, subject to any consent required in accordance with Section 9.08 of the Credit Agreement.

SECTION 7.10. WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT, ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT

BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

SECTION 7.11. Severability. In the event any one or more of the provisions contained in this Agreement should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby (it being understood that the invalidity of a particular provision in a particular jurisdiction shall not in and of itself affect the validity of such provision in any other jurisdiction). The parties shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

SECTION 7.12. Counterparts. This Agreement may be executed in counterparts, each of which shall constitute an original but all of which when taken together shall constitute single contract, and shall become effective as provided in Section 7.04. Delivery of an executed signature page to this Agreement by facsimile transmission shall be as effective as delivery of a manually signed counterpart of this Agreement.

SECTION 7.13. Headings. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and are not to affect the construction of, or to be taken into consideration in interpreting, this Agreement.

SECTION 7.14. Jurisdiction; Consent to Service of Process. (a) Each of the Loan Parties hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of any New York State court or Federal court of the United States of America, sitting in New York City, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement or any other Loan Document, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State or, to the extent permitted by law, in such Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement or any other Loan Document shall affect any right that the Collateral Agent or any Lender may otherwise have to bring any action or proceeding relating to this Agreement or any other Loan Document against the Borrower or its properties in the courts of any jurisdiction.

(b) Each of the Loan Parties hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement or any other Loan Document in any court referred to in paragraph (a) of this Section. Each of the parties hereto hereby irrevocably waives, to the

fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(c) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 7.01. Nothing in this Agreement or any other Loan Document will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

SECTION 7.15. Termination or Release. The Guarantees and security interest created hereunder shall terminate and be released at the time or times and in the manner set forth in Section 9.17 of the Credit Agreement.

SECTION 7.16. Additional Subsidiaries. Pursuant to Section 5.09 of the Credit Agreement, each Subsidiary (other than an Unrestricted Subsidiary) of a Loan Party that was not in existence or not a Subsidiary on the date of the Credit Agreement is required to enter in this Agreement as a Subsidiary Party upon becoming such a Subsidiary. Upon execution and delivery by the Collateral Agent and a Subsidiary of an instrument in the form of Exhibit I hereto, such Subsidiary shall become a Subsidiary Party hereunder with the same force and effect as if originally named as a Subsidiary Party herein. The execution and delivery of any such instrument shall not require the consent of any other Grantor or Pledgor hereunder. The rights and obligations of each Subsidiary Party hereunder shall remain in full force and effect notwithstanding the addition of any new Grantor or Pledgor as a party to this Agreement.

SECTION 7.17. Right of Setoff. If an Event of Default shall have occurred and be continuing, each Lender is hereby authorized at any time and from time to time, except to the extent prohibited by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other obligations at any time owing by such Lender to or for the credit or the account of any Subsidiary Party against any of and all the obligations of such Subsidiary Party now or hereafter existing under this agreement held by such Lender, irrespective of whether or not such Lender shall have made any demand under this Agreement and although such obligations may be unmaturing. The rights of each Lender under this Section are in addition to other rights and remedies (including other rights of setoff) which such Lender may have.

SECTION 7.18. Intercreditor Agreements. Reference is made to the IDB Intercreditor Agreement and the Bank of America Intercreditor Agreement. Notwithstanding any other provision contained herein, this Agreement, the Liens created hereby and the rights, remedies, duties and obligations provided for herein are subject in all respects to the provisions of the IDB Intercreditor Agreement and, to the extent provided therein, the applicable Senior Obligations Security Documents (as defined in the IDB Intercreditor Agreement) and the Bank of America Intercreditor Agreement and, to the extent provided therein, the Security Agreement, the Mortgage and the Stock Pledge Agreement (as defined in the Bank of America Agreement). In the event of any conflict or inconsistency between the provisions of this Agreement and the IDB Intercreditor Agreement or the Bank of America



Intercreditor Agreement, the provisions of the IDB Intercreditor Agreement or the Bank of America Intercreditor Agreement, as applicable, shall control.

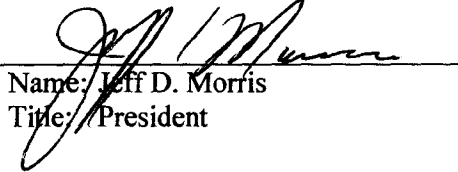
SECTION 7.19. Paramount Guarantee and Collateral Limitations.

Notwithstanding any other provision contained herein, amounts realized on the Guarantees of and the security interests created by the Paramount Subsidiary Parties (or on the pledge by Paramount Holdings of Equity Interests of Paramount) prior to the Bank of America Discharge Date may, subject to the provisions of the Bank of America Intercreditor Agreement, be applied to satisfy up to \$60,000,000 aggregate principal amount of the Loans made under the Credit Agreement and otherwise in accordance with the Bank of America Intercreditor Agreement. Following the Bank of America Discharge Date, any amounts realized on the Guarantees of and the security interests created by the Paramount Subsidiary Parties (or on the pledge by Paramount Holdings of Equity Interests of Paramount) may be applied to satisfy the Obligations in accordance with the provisions hereof and the Credit Agreement.

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

ALON USA ENERGY, INC.,

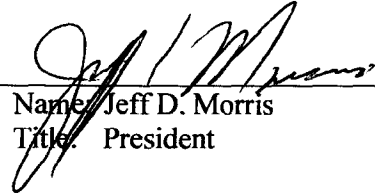
by



\_\_\_\_\_  
Name: Jeff D. Morris  
Title: President

ALON ASPHALT BAKERSFIELD, INC.,

by

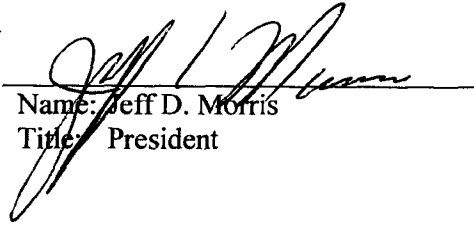
  
Name: Jeff D. Morris  
Title: President

[[2607336]]

TRADEMARK  
REEL: 003366 FRAME: 0051

ALON ASSETS, INC.,

by



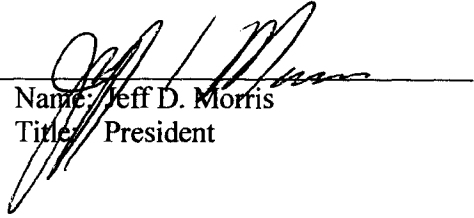
Name: Jeff D. Morris  
Title: President

[[2607336]]

TRADEMARK  
REEL: 003366 FRAME: 0052

ALON CRUDE PIPELINE, LLC,

by




Name: Jeff D. Morris  
Title: President

[[2607336]]

ALON PIPELINE LOGISTICS, LLC,

by

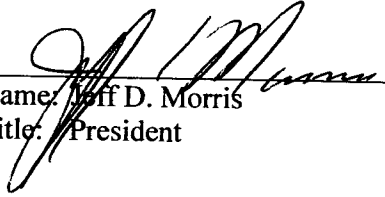
  
Name: David Wiessman  
Title: President

[[2607336]]

TRADEMARK  
REEL: 003366 FRAME: 0054

ALON USA CAPITAL, INC.,

by

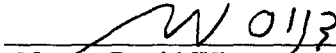
  
Name: Jeff D. Morris  
Title: President

[[2607336]]

TRADEMARK  
REEL: 003366 FRAME: 0055

ALON USA DELAWARE, LLC,

by

  
Name: David Wiessman  
Title: President

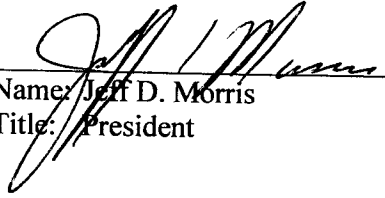
[[2607336]]

TRADEMARK  
REEL: 003366 FRAME: 0056



ALON USA GP, LLC,

by

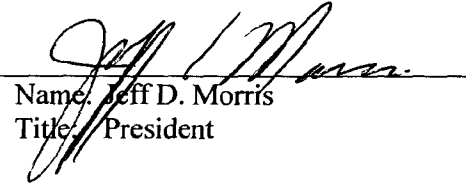
  
Name: Jeff D. Morris  
Title: President

[[2607336]]

TRADEMARK  
REEL: 003366 FRAME: 0057

ALON USA, INC.,

by



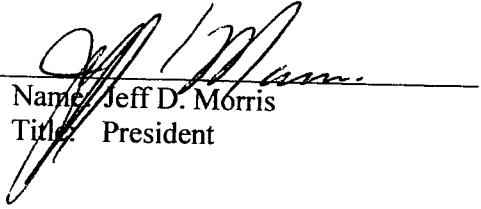
Name: Jeff D. Morris  
Title: President

[[2607336]]

TRADEMARK  
REEL: 003366 FRAME: 0058

ALON USA OPERATING, INC.,

by

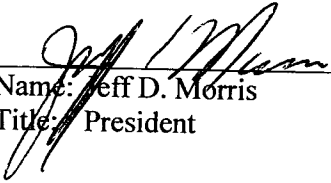
  
Name: Jeff D. Morris  
Title: President

[[2607336]]

**TRADEMARK**  
**REEL: 003366 FRAME: 0059**

ALON USA REFINING, INC.,

by


  
Name: Jeff D. Morris  
Title: President

[[2607336]]

TRADEMARK  
REEL: 003366 FRAME: 0060

ALON USA, LP,

by Alon USA GP, LLC, a Delaware  
limited liability company, its  
general partner,


by   
Name: Jeff B. Morris  
Title: President

[[2607336]]

**TRADEMARK**  
**REEL: 003366 FRAME: 0061**

EOC ACQUISITION, LLC,

by

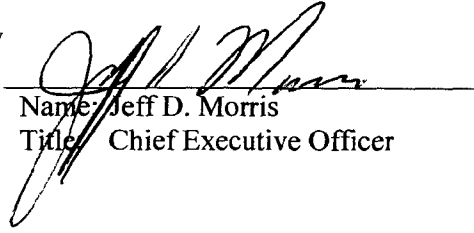
  
Name: Jeff D. Morris  
Title: President

[[2607336]]

**TRADEMARK**  
**REEL: 003366 FRAME: 0062**

HUNTINGTON E-P PIPELINE  
COMPANY, LLC,

by

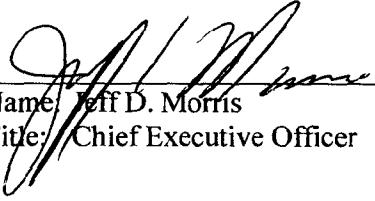


\_\_\_\_\_  
Name: Jeff D. Morris  
Title: Chief Executive Officer

[[2607336]]

PARAMOUNT COGENERATION  
COMPANY, LLC,

by

  
Name: Jeff D. Morris  
Title: Chief Executive Officer

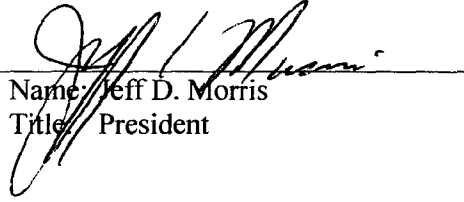
[[2607336]]

TRADEMARK  
REEL: 003366 FRAME: 0064



PARAMOUNT OF OREGON, LLC,

by



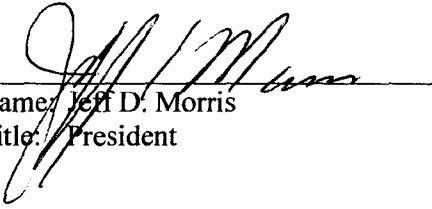
\_\_\_\_\_  
Name: Jeff D. Morris  
Title: President

[[2607336]]

**TRADEMARK**  
**REEL: 003366 FRAME: 0065**

PARAMOUNT OF WASHINGTON, LLC,

by



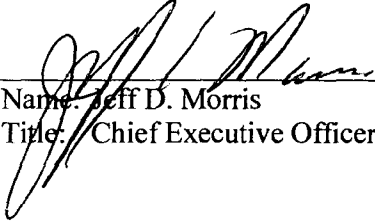
\_\_\_\_\_  
Name: Jeff D. Morris  
Title: President

[[2607336]]

**TRADEMARK**  
**REEL: 003366 FRAME: 0066**

PARAMOUNT PETROLEUM  
CORPORATION,

by



---

Name: Jeff D. Morris

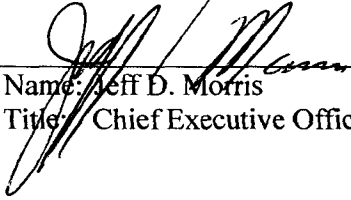
Title: Chief Executive Officer

[[2607336]]

TRADEMARK  
REEL: 003366 FRAME: 0067

PARAMOUNT PETROLEUM  
CORPORATION OF ARIZONA, INC.,

by



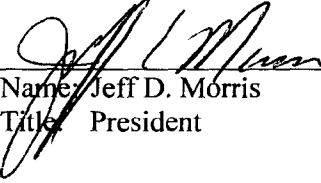
---

Name: Jeff D. Morris  
Title: Chief Executive Officer

[[2607336]]

PARAMOUNT PETROLEUM  
HOLDINGS, INC.,

by



---

Name: Jeff D. Morris  
Title: President

[[2607336]]

TRADEMARK  
REEL: 003366 FRAME: 0069

ALON USA PIPELINE, INC.,

by



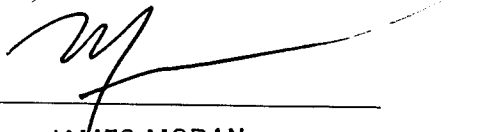
---

Name: Harlin R. Dean

Title: Vice President

CREDIT SUISSE, acting through its  
Cayman Islands Branch, as  
Collateral Agent,

by



Name: \_\_\_\_\_  
Title: **JAMES MORAN  
MANAGING DIRECTOR**

by



Name: \_\_\_\_\_  
Title: **GREGORY S. RICHARDS  
ASSOCIATE**

**SCHEDULES TO GUARANTEE AND COLLATERAL AGREEMENT \***

---

\* Information disclosed herein relating to the subsidiaries to be acquired upon the consummation of the Edgington Acquisition is provided as if such acquisition has occurred as of the Closing Date and is based on information available to the Borrower as of the Closing Date and the consummation of the Edgington Acquisition as contemplated on the Closing Date.



## SCHEDULE I

### Subsidiaries

#### Alon Entities

1. Alon USA, Inc., a Delaware corporation
2. Alon USA Capital, Inc., a Delaware corporation
3. Alon USA Operating, Inc., a Delaware corporation
4. Alon Assets, Inc., a Delaware corporation
5. Paramount Petroleum Holdings, Inc., a Delaware corporation
6. Alon USA GP, LLC, a Delaware limited liability company
7. Alon USA Refining, Inc., a Delaware corporation
8. Alon USA Delaware, LLC, a Delaware limited liability company
9. Alon USA, LP, (formerly known as SWBU, L.P.), a Texas limited partnership
10. Alon USA Pipeline, Inc., a Delaware corporation<sup>1</sup>
11. Paramount of Oregon, LLC, a Delaware limited liability company<sup>2</sup>
12. Paramount of Washington, LLC, a Delaware limited liability company<sup>3</sup>
13. Alon Asphalt Bakersfield, Inc., a Delaware corporation
14. Alon Pipeline Logistics, LLC, a Delaware limited liability company
15. Alon Crude Pipeline, LLC, a Texas limited liability company

#### Paramount Entities (to become Subsidiaries on the Closing Date)

1. Paramount Petroleum Corporation, a Delaware corporation
2. Paramount Petroleum Corporation of Arizona, Inc., a Delaware corporation

---

<sup>1</sup> Subsequent to the Closing, Alon USA Pipeline, Inc., a Delaware corporation will merge into Paramount Petroleum Holdings, Inc., a Delaware corporation.

<sup>2</sup> Simultaneously with the Closing Paramount of Oregon, Inc., an Oregon corporation will merge into Paramount of Oregon, LLC, a Delaware limited liability company.

<sup>3</sup> Simultaneously with the Closing Paramount of Washington, Inc., a Washington corporation will merge into Paramount of Washington, LLC, a Delaware limited liability company.

3. Paramount Cogeneration Company, LLC, a California limited liability company
4. Huntington E-P Pipeline Company, LLC, a California limited liability company<sup>4</sup>

Edgington Entity (to become a Subsidiary on the Edgington Closing Date)<sup>5</sup>

1. EOC Acquisition, LLC, a Delaware limited liability company (to be renamed Edgington Oil Company, LLC after closing of the Edgington Acquisition)

---

<sup>4</sup> Huntington E-P Pipeline Company, LLC, a California limited liability company is a wholly-owned subsidiary of Paramount Petroleum Corporation. Paramount Petroleum Corporation is currently negotiating an operating agreement with Edgington Oil Company, a Missouri corporation to agree to the terms of an operating agreement. Upon agreement on terms, Paramount Petroleum Corporation and Edgington Oil Company will each own a 50% interest in Huntington E-P Pipeline Company, LLC.

<sup>5</sup> Information disclosed herein relating to the subsidiaries to be acquired upon the consummation of the Edgington Acquisition is provided as if such acquisition has occurred as of the Closing Date and is based on information available to the Borrower as of the Closing Date and the consummation of the Edgington Acquisition as contemplated on the Closing Date.

## SCHEDULE II

### Pledged Equity Interests

Grantor	Issuer	Certificate Number	Number of Equity Interests	Percentage of Ownership <sup>1</sup>
Alon USA Energy, Inc.	Alon USA, Inc.	1	1,000 shares of common stock	10.0%
Alon USA Energy, Inc.	Alon USA, Inc.	2	1,824 shares of common stock	18.24%
Alon USA Energy, Inc.	Alon USA, Inc.	3	160 shares of common stock	1.6%
Alon USA Energy, Inc.	Alon USA, Inc.	4	2,016 shares of common stock	20.16%
Alon USA Energy, Inc.	Alon USA, Inc.	5	255 shares of common stock	2.55%
Alon USA Energy, Inc.	Alon USA, Inc.	6	4,745 shares of common stock	47.45%
Alon USA, Inc.	Alon USA Operating, Inc.	1	52,552.5 shares of Class A common stock	69.59%
Alon USA, Inc.	Alon USA Operating, Inc.	3	18,831.46 shares of Class A common stock	24.94%
Alon USA, Inc.	Alon USA Operating, Inc.	4	103.3 shares of Class A common stock	.14%
Alon USA, Inc.	Alon USA Capital, Inc.	8	41,673 shares of common stock	100%
Alon Assets, Inc.	Paramount Petroleum Holdings, Inc.	1	1,000 shares of common stock	100%
Alon Assets, Inc.	Alon USA Pipeline, Inc.	1	1,000 shares of common stock	100%
Alon USA Capital, Inc.	Alon Assets, Inc.	1	139,947.5 shares of Class A common stock	69.59%

<sup>1</sup> Ownership percentage is based upon the issued and outstanding ownership interests of the issuer of such Equity Interests as of the date hereof.

<b>Grantor</b>	<b>Issuer</b>	<b>Certificate Number</b>	<b>Number of Equity Interests</b>	<b>Percentage of Ownership<sup>1</sup></b>
Alon USA Capital, Inc.	Alon Assets, Inc.	3	50,148.35 shares of Class A common stock	24.94%
Alon USA Capital, Inc.	Alon Assets, Inc.	4	275.08 shares of Class A common stock	.14%
Alon USA Operating, Inc.	Alon USA GP, LLC	1	1,000 units	100%
Alon USA Operating, Inc.	Alon USA Delaware, LLC	—	—	100% of the membership interests
Alon USA GP, LLC	Alon USA, LP	—	—	1% general partnership interest
Alon USA Delaware, LLC	Alon USA, LP	—	—	99% limited partnership interest
Alon Assets, Inc.	Alon USA Refining, Inc.	C-1	1,000 shares of common stock	100%
Paramount Petroleum Holdings, Inc.	EOC Acquisition, LLC (to be renamed Edgington Oil Company, LLC after the Edgington Closing) <sup>2</sup>	1	1,000	100% of the membership interests
Paramount Petroleum Holdings, Inc.	Paramount of Oregon, LLC	1	1,000	100% of the membership interests
Paramount Petroleum Holdings, Inc.	Paramount of Washington, LLC	1	1,000	100% of the membership interests
Paramount Petroleum Holdings, Inc.	Alon Asphalt Bakersfield, Inc.	2	850 shares of Class A common stock	100%
Paramount Petroleum Holdings, Inc.	Alon Pipeline Logistics, LLC	4	955 units	95.5%

<sup>2</sup> To be pledged after the Edgington Closing. Information disclosed herein relating to the subsidiaries to be acquired upon the consummation of the Edgington Acquisition is provided as if such acquisition has occurred as of the Closing Date and is based on information available to the Borrower as of the Closing Date and the consummation of the Edgington Acquisition as contemplated on the Closing Date.

<b>Grantor</b>	<b>Issuer</b>	<b>Certificate Number</b>	<b>Number of Equity Interests</b>	<b>Percentage of Ownership<sup>1</sup></b>
Alon USA Refining, Inc.	Alon Pipeline Logistics, LLC	3	45 units	4.5%
Alon USA Refining, Inc.	Alon Crude Pipeline, LLC	1	1,000	100% of the membership interests
Alon Pipeline Logistics, LLC	Holly Energy Partners, LP	1	837,500 Class B subordinated units	89.3% of Class B subordinated units
Alon USA, Inc.	Holly Energy Partners, LP	3	100,000 Class B subordinated units	10.7% of Class B subordinated units

### **Pledged Debt Securities**

#### **Part A**

<b>Payee</b>	<b>Issuer of Note</b>	<b>Type of Security</b>	<b>Amount</b>	<b>Issue Date</b>	<b>Maturity Date</b>
Paramount Petroleum Holdings, Inc.	Paramount Petroleum Corporation	Subordinated Intercompany Note	\$113,000,000	August 4, 2006	Demand
Alon USA Energy, Inc.	Paramount Petroleum Holdings, Inc.	Subordinated Intercompany Note	\$301,911,338	August 4, 2006	Demand
Alon USA, LP	Paramount Petroleum Holdings, Inc.	Subordinated Intercompany Note	\$86,540,000	August 4, 2006	Demand
Alon USA Pipeline, Inc.	Paramount Petroleum Holdings, Inc.	Subordinated Intercompany Note	\$28,000,000	August 4, 2006	Demand
Alon USA, LP	Alon USA Operating, Inc.	Subordinated Intercompany Note	\$6,574,363	August 4, 2006	Demand

#### **Part B**

<b>Payee</b>	<b>Issuer of Note</b>	<b>Type of Security</b>	<b>Amount</b>	<b>Issue Date</b>	<b>Maturity Date</b>
Alon USA Energy, Inc.	Alon USA Capital, Inc.	Subordinated Intercompany Note	\$7,800,000	August 8, 2000	March 15, 2011
Alon USA Energy, Inc.	Alon USA Operating, Inc.	Subordinated Intercompany Note	\$2,100,000	August 8, 2000	March 15, 2011
Alon USA Capital, Inc.	Alon Assets, Inc.	Subordinated Intercompany Note	\$18,000,000	August 8, 2000	March 15, 2011

Payee	Issuer of Note	Type of Security	Amount	Issue Date	Maturity Date
Alon Assets, Inc.	Alon USA Pipeline, Inc. (to be merged with Paramount Petroleum Holdings, Inc.)	Subordinated Intercompany Note	\$3,705,880	August 8, 2000	March 15, 2011
Alon Assets, Inc.	Alon USA Refining, Inc.	Subordinated Intercompany Note	\$12,044,120	August 8, 2000	March 15, 2011
Alon USA, LP (f/k/a SWBU, LP)	Alon USA GP, LLC (f/k/a Alon USA GP, Inc.)	Subordinated Intercompany Note (Replacement Note-Affidavit attached)	\$512,530	August 8, 2000	March 15, 2011
Alon USA, LP (f/k/a SWBU, LP)	Alon USA Delaware, LLC	Subordinated Intercompany Note (Replacement Note, Affidavit attached)	\$50,740,470	August 8, 2000	March 15, 2011
Alon USA, LP (f/k/a SWBU, LP)	Alon USA Interests, LLC	Subordinated Intercompany Note	\$16,000,000	August 8, 2000	March 15, 2011
Alon USA, LP	Alon USA Refining, Inc., Alon USA Pipeline, Inc., Alon Petroleum Pipe Line Company (f/k/a American Petrofina Pipeline Company), and Fin-Tex Pipe Line Company (Pipeline, APPL and Fin-Tex to be merged with Paramount Petroleum Holdings, Inc.)	Subordinated Intercompany Note	\$35,000,000	June 7, 2002	March 15, 2011
Alon USA, LP	Alon USA, Inc.	Subordinated Intercompany Note	\$12,100,000	August 21, 2002	March 15, 2011
Alon USA, Inc.	Alon USA Refining, Inc.	Subordinated Intercompany Note	\$33,422,453.20	January 14, 2004	January 13, 2009

Payee	Issuer of Note	Type of Security	Amount	Issue Date	Maturity Date
Alon USA, Inc.	Alon USA Pipeline, Inc. (to be merged with Paramount Petroleum Holdings, Inc.)	Subordinated Intercompany Note	\$10,283,834.07	January 14, 2004	January 13, 2009
Alon USA, LP	Southwest Convenience Stores, LLC	Subordinated Intercompany Note	\$670,000	September 21, 2004	January 31, 2007
Alon USA, LP	Alon USA Interests, LLC	Subordinated Intercompany Note	\$670,000	September 30, 2004	Demand
Alon USA, LP	T & R Assets, Inc. (to be merged with Paramount Petroleum Holdings, Inc.)	Subordinated Intercompany Note	\$9,370,000	June 30, 2004	Demand
Alon USA, LP	Alon USA Asphalt, Inc. (to be merged with Paramount Petroleum Holdings, Inc.)	Subordinated Intercompany Note	\$850,000	July 14, 2004	Demand
Alon Pipeline Logistics, LLC	Alon USA, LP	Subordinated Intercompany Note	\$112,000,000	February 28, 2005	March 1, 2025
Alon USA, Inc.	Alon USA, LP	Subordinated Intercompany Note	\$8,000,000	February 28, 2005	Demand
Alon USA, LP	Alon USA, Inc.	Subordinated Intercompany Note	\$42,500,000	February 28, 2005	Demand
Alon USA, LP	Alon Assets, Inc.	Subordinated Intercompany Note	\$1,500,000	February 28, 2005	Demand
Alon USA, LP	Alon Pipeline Logistics, LLC	Subordinated Intercompany Note	\$2,000,000	February 28, 2005	Demand
Alon USA Energy, Inc.	Alon USA, Inc.	Subordinated Intercompany Note	\$2,315,892.95	August 17, 2005	Demand
Alon USA Energy, Inc.	Alon USA Capital, Inc.	Subordinated Intercompany Note	\$15,503,863.89	August 17, 2005	Demand
Alon USA Energy, Inc.	Alon USA, Inc.	Subordinated Intercompany Note	\$42,193.91	November 7, 2005	Demand
Alon USA Energy, Inc.	Alon USA Capital, Inc.	Subordinated Intercompany Note	\$93,499.70	November 7, 2005	Demand
Alon USA, LP	Alon USA GP, LLC	Subordinated Intercompany Note	\$64,500,000	January 19, 2006	Demand

SCH II-5

DLI-6007739v8

**TRADEMARK**  
**REEL: 003366 FRAME: 0079**

<b>Payee</b>	<b>Issuer of Note</b>	<b>Type of Security</b>	<b>Amount</b>	<b>Issue Date</b>	<b>Maturity Date</b>
Alon USA GP, LLC	Alon USA, Inc.	Subordinated Intercompany Note	\$64,500,000	January 19, 2006	Demand
Alon USA, LP	Alon USA Interests, LLC	Subordinated Intercompany Note	\$5,000,000	April 1, 2006	Demand
Alon USA, LP	Alon USA Asphalt, Inc. (to be merged with Paramount Petroleum Holdings, Inc.)	Subordinated Intercompany Note	\$12,000,000	June 1, 2006	Demand
Alon USA Asphalt, Inc. (to be merged with Paramount Petroleum Holdings, Inc.)	Alon Asphalt Bakersfield, Inc.	Subordinated Intercompany Note	\$12,000,000	June 1, 2006	Demand



## SCHEDULE III

### Intellectual Property

Copyrights: None

Copyright Applications: None

Copyright Licenses: None other than software licenses used in the normal course of business.

Patents: None

Patent Applications: None

Patent Licenses:

Sub-licensee	Licensee	Licensor	Type	Registration Number	Patent Expiration Date
Paramount Petroleum Corporation Alon USA, LP	Wright Asphalt Products Company	Neste/Wright Asphalt Products Company	Utility	5,397,818 <sup>1</sup>	1/26/2014
Paramount Petroleum Corporation Alon USA, LP	Wright Asphalt Products Company	Neste/Wright Asphalt Products Company	Utility	5,492,561 <sup>1</sup>	4/07/2015
Paramount Petroleum Corporation Alon USA, LP	Wright Asphalt Products Company	Neste/Wright Asphalt Products Company	Utility	5,583,168 <sup>1</sup>	3/14/2012
N/A	Paramount Petroleum Corporation	UOP LLC	Utility	Penex-Plus Process <sup>2</sup>	

<sup>1</sup> This patent is licensed from Neste/Wright Asphalt Products Company, a Texas general partnership, to Wright Asphalt Products Company, a Texas general partnership ("Wright") for use in the U.S., Mexico and Canada, pursuant to a License Agreement effective as of July 1, 1996.

The patent is sub-licensed from Wright to TTRD, LTD., a Texas limited partnership ("TTRD") for use in the State of California only, pursuant to a Sub License, effective as of July 1, 1996. The patent is sub-sub-licensed from TTRD to Paramount Petroleum Corporation for use in the State of California only, pursuant to a Sub Sub License Agreement, effective as of July 1, 1996.

The Patent (other than U.S. Patent Application Serial No. PCT/US95/00808) is also sub-licensed from Wright to Alon USA, LP pursuant to an Alliance Agreement dated July 1, 2002, by and between Wright and Alon USA, LP.

<sup>2</sup> This patent is licensed from UOP LLC to Paramount Petroleum Corporation pursuant to the Penex-Plus Process License Agreement between Paramount Petroleum Corporation and UOP LLC, dated September 4, 2003.

Sub-licensee	Licensee	Licensor	Type	Registration Number	Patent Expiration Date
N/A	Paramount Petroleum Corporation	UOP Process Division	Utility	4,481,106 (UOP Merox Process) <sup>3</sup>	Expired on December 5, 2003

Trademarks:

Registered Owner	Mark	Registration Number	Registration Date
Alon USA, LP	Miscellaneous Design	2,871,870	08/10/2004
Alon USA, LP	Validus	3,077,799	04/4/2006
Alon USA, LP	Convenience, Plain and Simple	3,077,800	04/4/2006
Alon USA, LP	Convencia, Sencilla y Simple	3,088,821	05/02/2006
Alon Asphalt Bakersfield, Inc.	Topein	2,495,313	10/09/2001
Paramount Petroleum Corporation	Wright Asphalt Products Company	N/A (trade name)	N/A
Alon USA, LP, by and through Alon USA GP, LLC	Miscellaneous Design	3,019,649	11/29/2005
Alon USA, LP, by and through Alon USA GP, LLC	Miscellaneous Design	3,019,650	11/29/2005

Trademark Applications: None

Trademark Licenses:

1. Paramount Petroleum Corporation as Licensee:

Licensee	Licensor	Mark	Registration Number	License Expiration Date
Paramount Petroleum Corporation (sublicense)	Neste/Wright Asphalt Products Company	TRMAC <sup>4</sup>	N/A (trade name)	Perpetual license

<sup>3</sup> This patent is licensed from UOP Process Division to Paramount Petroleum Corporation pursuant to the UOP Merox Process License Agreement between UOP Process Division and Pacific Oasis (assumed by Paramount Petroleum Corporation), dated December 1, 1983.

<sup>4</sup> This trade name is licensed from Neste/Wright Asphalt Products Company, a Texas general partnership ("Neste/Wright"), to Wright Asphalt Products Company, a Texas general partnership ("Wright") for use in the U.S., Mexico and Canada, pursuant to a License Agreement effective as of July 1, 1996 between Neste/Wright and Wright.

The trade name is sub-licensed from Wright to TTRD, LTD., a Texas limited partnership ("TTRD") for use in the State of California only, pursuant to a Sub License, effective as of July 1, 1996. The trade name is sub-sub-licensed from TTRD to Paramount Petroleum Corporation for use in the State of California only, pursuant to a Sub Sub License Agreement, effective as of July 1, 1996.

Licensee	Licensor	Mark	Registration Number	License Expiration Date
Paramount Petroleum Corporation	Conoco Inc.	DriveWalk <sup>5</sup>	1,955,085 <sup>6</sup>	June 28, 2006; continues from year to year thereafter unless terminated by either party upon one years' written notice
Paramount Petroleum Corporation	Conoco Inc.	Viscolastic <sup>5</sup>	N/A <sup>7</sup>	June 28, 2006; continues from year to year thereafter unless terminated by either party upon one years' written notice

2. Alon USA, LP as Licensee:

Licensee	Licensor	Mark	Registration Number	License Expiration Date
Alon USA, LP	FINAMARK, Inc./ATOFINA Petrochemicals, Inc.	FINA	673,746 <sup>8</sup>	07/31/2012
Alon USA, LP	FINAMARK, Inc./ATOFINA Petrochemicals, Inc.	FINA (with Shield Design)	674,437 <sup>8</sup>	07/31/2012
Alon USA, LP	FINAMARK, Inc./ATOFINA Petrochemicals, Inc.	FINA (with Shield Design)	801,112 <sup>8</sup>	07/31/2012
Alon USA, LP	FINAMARK, Inc./ATOFINA Petrochemicals, Inc.	FINA	803,245 <sup>8</sup>	07/31/2012
Alon USA, LP	FINAMARK, Inc./ATOFINA Petrochemicals, Inc.	Design (Shield)	1,544,131 <sup>8</sup>	07/31/2012

<sup>5</sup> Licensed from Conoco Inc. to Paramount Petroleum Corporation pursuant to the Trademark and Technology License Agreement between Paramount Petroleum Corporation and Conoco Inc. dated June 28, 1996.

<sup>6</sup> Registered 02/06/1996 to Conoco Inc. assigned to ConocoPhillips Company in 2002.

<sup>7</sup> Serial No. 75/147,784 filed 08/09/1996, applied for by Conoco Inc. Abandoned for failure to respond to office action in 1998.

Registration No. 1,192,126 registered 03/16/1982 to Douglas Oil Company of California. Cancelled for failure to file Use Declaration in 1988.

<sup>8</sup> Licensed to from FINAMARK, Inc. and ATOFINA Petrochemicals, Inc. to Alon USA, LP pursuant to the Trademark License Agreement dated July 31, 2000, by and between FINAMARK, Inc., and ATOFINA Petrochemicals, Inc. (formerly know as Fina Oil and Chemical Company), as Licensors, and SWBU, L.P. (now known as Alon USA, LP), as Licensee.

Licensee	Licensor	Mark	Registration Number	License Expiration Date
Alon USA, LP	FINAMARK, Inc./ATOFINA Petrochemicals, Inc.	FINAMART	1,608,494 <sup>8</sup>	07/31/2012
Alon USA, LP	FINAMARK, Inc./ATOFINA Petrochemicals, Inc.	FINAMART (with Design)	1,608,495 <sup>8</sup>	07/31/2012
Alon USA, LP	FINAMARK, Inc./ATOFINA Petrochemicals, Inc.	Design (Blocks)	1,642,553 <sup>8</sup>	07/31/2012
Alon USA, LP	FINAMARK, Inc./ATOFINA Petrochemicals, Inc.	Design (Blocks)	1,644,206 <sup>8</sup>	07/31/2012
Alon USA, LP	FINAMARK, Inc./ATOFINA Petrochemicals, Inc.	Design (Blocks)	1,649,241 <sup>8</sup>	07/31/2012
Alon USA, LP	FINAMARK, Inc./ATOFINA Petrochemicals, Inc.	Design (Blocks)	1,661,952 <sup>8</sup>	07/31/2012
Alon USA, LP	FINAMARK, Inc./ATOFINA Petrochemicals, Inc.	GENESIS	1,664,580 <sup>8</sup>	07/31/2012
Alon USA, LP	FINAMARK, Inc./ATOFINA Petrochemicals, Inc.	Design (Shield)	1,846,444 <sup>8</sup>	07/31/2012
Alon USA, LP	FINAMARK, Inc./ATOFINA Petrochemicals, Inc.	Design (Shield)	1,851,264 <sup>8</sup>	07/31/2012
Alon USA, LP	FINAMARK, Inc./ATOFINA Petrochemicals, Inc.	FINA (with Shield Design)	2,035,043 <sup>8</sup>	07/31/2012
Alon USA, LP	FINAMARK, Inc./ATOFINA Petrochemicals, Inc.	FINA (with Shield Design)	2,039,838 <sup>8</sup>	07/31/2012
Alon USA, LP	FINAMARK, Inc./ATOFINA Petrochemicals, Inc.	FINA (with Design)	2,090,557 <sup>8</sup>	07/31/2012
Alon USA, LP	FINAMARK, Inc./ATOFINA Petrochemicals, Inc.	FINA (with Design)	2,098,703 <sup>8</sup>	07/31/2012

SCH III-4

DLI-6007739v8

**TRADEMARK**  
**REEL: 003366 FRAME: 0084**

Licensee	Licensor	Mark	Registration Number	License Expiration Date
Alon USA, LP	FINAMARK, Inc./ATOFINA Petrochemicals, Inc.	THE FORMULA FOR THE FUTURE	2,206,838 <sup>8</sup>	07/31/2012
Alon USA, LP	FINAMARK, Inc./ATOFINA Petrochemicals, Inc.	PERFORMANCE FOR A LIFETIME	2,297,985 <sup>8</sup>	07/31/2012

3. Alon USA, LP as Licensor: Alon USA, LP grants sublicenses to various Fina trademarks to the following distributors pursuant to the terms of Distributor Sales Agreements in connection with the purchase of products from Alon USA, LP:

Customer Number	Name	Contract Effective Date
990249	BENDA INVESTMENTS INC	3/1/2000
82994	BERRY MARKETING INC	12/1/2004
272619	BILL L DOVER COMPANY, INC.	6/1/2004
134699	CENTRAL TEXAS ENERGY SUPPLIERS	8/1/2004
142196	CINCO J INC	12/1/2003
948999	COLLINS WISE OIL CO L L C	9/1/2004
194894	DUGAS OIL CO., INC.	4/1/2004
196397	JAMES R DRUMMOND INC	4/1/2004
163997	KENNETH CRENWELGE	9/1/2004
998869	LES WILLIAMS DBA KIMBLE OIL CO	10/1/2004
537991	LLOYD & PEGGY LUMPKIN DBA	3/1/2004
559356	MARTIN EAGLE OIL COMPANY INC	8/1/2004
589796	MTG MANAGEMENT INC	12/1/2004
599497	NEAL INC	7/1/2005
604397	NEW DISTRIBUTING CO INC	12/1/2003
611011	NORTHEAST LOUISIANA WHLSE OIL&	5/1/2004
605500	OMEGA BRANDING LP	5/1/2005
678000	PACIFIC FUEL DISTRIBUTORS, LLC	8/1/2003
701332	PEARMAN OIL & GAS CO INC	4/1/2005
702200	PETROTEX FUELS, INC	7/16/2002
702394	PM FUEL SERVICES INC	6/1/2004
702395	PROTON PRC, LTD.	8/1/2004
729799	QUIK STAR PRODUCTS	10/1/2005
700000	RAND OIL COMPANY	3/1/2004
796213	SKINNY'S INC	2/1/2003
813399	STEINHAGEN OIL COMPANY, INC.	4/1/2005
818799	STRASBURGER ENTERPRISES INC	10/1/2005
999930	SUPERIOR FUELS & LUBRICANTS	4/1/2004
849796	TMT INC	6/1/2004
859998	TOWER OIL CO	4/1/2004
852829	TRIPLE A OIL CO INC	1/1/2005
539594	WEST TEXAS CONVENIENCE STORES	1/1/2005

Customer Number	Name	Contract Effective Date
988999	ZIPCO INC	4/1/2004
006506	ACKERLY OIL COMPANY, INC.	11/1/2004
124209	ALLSUP PETROLEUM INC	10/1/2005
82197	BARKER OIL CO INC	4/1/2004
88392	BELL GAS INC	9/1/2004
219991	EDDINS WALCHER CO INC	2/1/2004
283497	FORTIS PROPERTIES, INC	3/1/2004
291616	FRANKLIN & SON INC	02/01/2004
338014	HAIGOOD & CAMPBELL, LLC	8/1/2003
580908	KENDRICK OIL CO	5/1/2004
327403	LELDON R GREER - GREER OIL CO.	10/1/1999
590796	NATIONAL FUEL & LUBRICANTS INC	6/1/2005
599002	NATIONAL STATIONS INC	12/1/2003
700001	R.D. WALLACE OIL CO., INC.	7/1/2004
779499	SANDIA OIL COMPANY	2/1/2004
802995	SOUTHWEST CONVENIENCE STORES L	11/1/2003
952002	SOUTHWEST ENERGY DISTRIBUTORS	6/1/1999
999248	WTG Fuels, Inc.	5/1/2004
990245	AC STORES OIL INC	2/1/2005
87792	BELL BROTHERS OIL CO	2/1/2004
105915	BRANT-STA INC.	4/1/2005
105913	BRAZELL OIL COMPANY	12/1/2003
467794	CAREY JOHNSON OIL CO INC	3/1/2005
133798	CENTRAL ARKANSAS PETROLEUM INC	11/1/2003
137401	CHAPMAN INC	9/1/2004
156397	COPELAND OIL CO INC	8/1/2004
156399	COXCO PETROLEUM LLC	6/1/2005
172495	DAIRY SENTER INC	11/1/2003
189896	DENNY OIL COMPANY	4/1/2004
369829	FOOD FAST CORP	3/1/2004
338050	HUBERT GLASS OIL CO.	4/1/2005
586893	J WADE QUINN CO INC	7/1/2004
717991	JIMMY COULTER DBA PRESLEY OIL COMPANY	11/1/2004
990900	LA SHER OIL COMPANY INC	9/1/2004
773900	REEVES OIL COMPANY, INC.	7/1/2004
897999	SPENCER DISTRIBUTING LP	4/1/2004
999916	SUMMERWOOD DISTRIBUTORS LLC	9/1/2003
999911	SUMMERWOOD PARTNERS	9/1/2003
999902	SUMMERWOOD PETROLEUM	9/1/2003
897199	VAN OIL INC	6/1/2004
359001	W R HESS COMPANY	6/1/2002
946394	WINKLE OIL CO INC	9/1/2004
543298	BAY PETROLEUM	1/1/2005
116192	BURTON OIL COMPANY INC	6/1/2004
139996	CARTER ENERGY CORPORATION	4/1/2006
128799	CARUTHERS OIL COMPANY	6/1/2004
133799	CENTRAL FUELS DISTRIBUTORS	6/1/2004

Customer Number	Name	Contract Effective Date
143499	CLASSIC STAR GROUP INC	6/1/2004
153819	CONSOLIDATED C-STORES INC	5/1/2000
159307	CONSOLIDATED GASOLINE INC.	3/1/2004
990995	DAVIDSON OIL CO	04/01/206
179393	DEE & DEE OIL CO	5/1/2204
183303	DIAL OIL	1/1/2006
733996	DONALD PINO DBA SOUTHWESTERN OIL CO	4/1/2005
191993	DOUGLASS DISTRIBUTING COMPANY	2/1/2005
203030	EASON PETROLEUM, INC	6/9/2003
338020	GRAY & ASSOCIATES DBA COMMUNITY FUELS OF TEXAS	6/1/2005
496382	KEWA GAS LTD.	3/1/2006
498602	KNOX OIL OF TEXAS, INC.	5/1/1998
537399	LUCKY LADY OIL CO	5/1/2004
998888	MCCRAW OIL	4/1/2004
83395	MILLENIUM GASOLINE INCORPORATED	1/1/2006
733995	RAM OIL CORPORATION	8/1/2004
769499	SANDFORD FUELS	11/1/2004
799499	SANDFORD OIL CO INC	10/1/2004
774993	SCHILLING OIL COMPANY	12/1/2004
707211	UNITED SPECIAL, INC. dba 7-2-11 FOOD STORES	7/1/2003

Miscellaneous Technology Licenses:

1. Asphalt Technology License Agreement dated July 31, 2000, by and between Fina Technology, Inc. and ATOFINA Petrochemicals, Inc. (formerly known as Fina Oil and Chemical Company), as Licensors, and SWBU, L.P. (now known as Alon USA, LP), as Licensee.
2. Cold-Flow Improvement License Agreement dated July 31, 2000, by and between FINA RESEARCH S.A., as Licensor, and SWBU, L.P. (now known as Alon USA, LP), as Licensee.
3. Refinery Technology License Agreement dated July 31, 2000, by and between ATOFINA Petrochemicals, Inc. (formerly known as Fina Oil and Chemical Company) and Fina Technology, Inc., as Licensors, and SWBU, L.P. (now known as Alon USA, LP), as Licensee.
4. Research Service Agreement dated July 31, 2000, by and between ATOFINA Petrochemicals, Inc. (formerly known as Fina Oil and Chemical company) and SWBU, L.P. (now known as Alon USA, LP).

Insurance Requirements

(a) The Borrower will, and will cause each of the Subsidiary Parties to, maintain, with financially sound and reputable insurance companies:

(i) fire, boiler and machinery, and extended coverage insurance, on a replacement cost basis, with respect to all personal property and improvements to real property, in such amounts as are customarily maintained by companies in the same or similar business operating in the same or similar locations;

(ii) commercial general liability insurance against claims for bodily injury, death or property damage occurring upon, about or in connection with the use of any properties owned, occupied or controlled by it, providing coverage on an occurrence basis with a combined single limit of not less than \$35 million and including the broad form CGL endorsement;

(iii) business interruption insurance, insuring against loss of gross earnings for a period of not less than 12 months arising from any risks or occurrences required to be covered by insurance pursuant to clause (i) above; and

(iv) such other insurance as may be required by law.

Deductibles or self-insured retention shall not exceed \$5 million for fire, boiler and machinery and extended coverage policies, \$5 million for commercial general liability policies or 75 days for business interruption policies.

(b) Fire, boiler and machinery and extended coverage policies maintained with respect to any Collateral shall be endorsed or otherwise amended to include (i) a lenders' loss payable clause in favor of the Administrative Agent and providing for losses thereunder to be payable to the Borrower and the Administrative Agent or its designee, (ii) a provision to the effect that neither the Borrower, the Administrative Agent nor any other party shall be a coinsurer and (iii) such other provisions as the Administrative Agent may reasonably require from time to time to protect the interests of the Lenders.

Commercial general liability policies shall be endorsed to name the Administrative Agent as an additional insured. Business interruption policies shall name the Administrative Agent as loss payee. Each such policy referred to in this paragraph also shall provide that it shall not be canceled, modified or not renewed (i) by reason of nonpayment of premium except upon not less than 10 days' prior written notice thereof by the insurer to the Administrative Agent (giving the Administrative Agent the right to cure defaults in the payment of premiums) or (ii) for any other reason except upon not less than 30 days' prior written notice thereof by the insurer to the Administrative Agent. The Borrower shall deliver to the Administrative Agent, prior to the cancellation, modification or nonrenewal of any such policy of insurance, certificates of insurance evidencing insurance referred to in this paragraph together with evidence satisfactory to the Administrative Agent of payment of the premium therefor.



SUPPLEMENT NO. \_\_ dated as of [●], to the Guarantee and Collateral Agreement dated as of August 4, 2006, among ALON USA ENERGY, INC., a Delaware corporation (the “Borrower”), each subsidiary of the Borrower listed on Schedule I thereto (each such subsidiary individually a “Subsidiary Guarantor” and collectively, the “Subsidiary Guarantors”; the Subsidiary Guarantors and the Borrower are referred to collectively herein as the “Grantors”) and CREDIT SUISSE, a bank organized under the laws of Switzerland, acting through its Cayman Islands branch (“CS”), as collateral agent (in such capacity, the “Collateral Agent”) for the Secured Parties (as defined herein).

A. Reference is made to the Credit Agreement dated as of June 22, 2006 (as amended, supplemented or otherwise modified from time to time, the “Credit Agreement”), among the Borrower, the lenders from time to time party thereto (the “Lenders”), and CS, as administrative agent for the Lenders (in such capacity, the “Administrative Agent”).

B. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Credit Agreement and the Guarantee and Collateral Agreement referred to therein.

C. The Grantors have entered into the Guarantee and Collateral Agreement in order to induce the Lenders to make Loans. Section 7.16 of the Guarantee and Collateral Agreement provides that additional Subsidiaries of the Borrower may become Grantors under the Guarantee and Collateral Agreement by execution and delivery of an instrument in the form of this Supplement. The undersigned Subsidiary (the “New Subsidiary”) is executing this Supplement in accordance with the requirements of the Credit Agreement to become a Subsidiary Party under the Guarantee and Collateral Agreement as consideration for Loans previously made.

Accordingly, the Collateral Agent and the New Subsidiary agree as follows:

SECTION 1. In accordance with Section 7.16 of the Guarantee and Collateral Agreement, the New Subsidiary by its signature below becomes a Grantor, Pledgor and Guarantor under the Collateral Agreement with the same force and effect as if originally named therein as a Grantor and the New Subsidiary hereby (a) agrees to all the terms and provisions of the Guarantee and Collateral Agreement applicable to it as a Grantor, Pledgor and Guarantor thereunder and (b) represents and warrants that the representations and warranties made by it as a Grantor, Pledgor and Guarantor thereunder are true and correct on and as of the date hereof. In furtherance of the foregoing, the New Subsidiary, as security for the payment and performance in full of the Obligations (as defined in the Guarantee and Collateral Agreement), does hereby create and grant to the Collateral Agent, its successors and assigns, for the benefit of the Secured Parties, their

successors and assigns, a security interest in and lien on all of the New Subsidiary's right, title and interest in and to the Collateral (as defined in the Guarantee and Collateral Agreement) of the New Subsidiary. Each reference to a "Grantor" in the Guarantee and Collateral Agreement shall be deemed to include the New Subsidiary. The Guarantee and Collateral Agreement is hereby incorporated herein by reference.

SECTION 2. The New Subsidiary represents and warrants to the Collateral Agent and the other Secured Parties that this Supplement has been duly authorized, executed and delivered by it and constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms (subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law)).

SECTION 3. This Supplement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Supplement shall become effective when the Collateral Agent shall have received counterparts of this Supplement that, when taken together, bear the signatures of the New Subsidiary and the Collateral Agent. Delivery of an executed signature page to this Supplement by facsimile transmission shall be as effective as delivery of a manually signed counterpart of this Supplement.

SECTION 4. The New Subsidiary hereby represents and warrants that (a) set forth on Schedule I attached hereto is a true and correct schedule of the location of any and all Collateral of the New Subsidiary and (b) set forth under its signature hereto, is the true and correct legal name of the New Subsidiary, its jurisdiction of formation and the location of its chief executive office.

SECTION 5. Except as expressly supplemented hereby, the Guarantee and Collateral Agreement shall remain in full force and effect.

SECTION 6. THIS SUPPLEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

SECTION 7. In case any one or more of the provisions contained in this Supplement should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein and in the Guarantee and Collateral Agreement shall not in any way be affected or impaired thereby (it being understood that the invalidity of a particular provision in a particular jurisdiction shall not in and of itself affect the validity of such provision in any other jurisdiction). The parties hereto shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

SECTION 8. All communications and notices hereunder shall be in writing and given as provided in Section 7.01 of the Guarantee and Collateral Agreement. All communications and notices hereunder to the New Subsidiary shall be given to it at the address set forth under its signature below.

SECTION 9. The New Subsidiary agrees to reimburse the Collateral Agent for its reasonable out-of-pocket expenses in connection with this Supplement, including the reasonable fees, other charges and disbursements of counsel for the Collateral Agent.

IN WITNESS WHEREOF, the New Subsidiary and the Collateral Agent have duly executed this Supplement to the Guarantee and Collateral Agreement as of the day and year first above written.

[Name Of New Subsidiary],

by

Address:

CREDIT SUISSE, acting through its  
Cayman Islands Branch, as Collateral  
Agent,

by

Name:  
Title:

by

Name:  
Title:

LOCATION OF COLLATERAL

Description

Location

JURISDICTION OF FORMATION

Pledged Securities of the New Pledgor

CAPITAL STOCK

<u>Issuer</u>	<u>Number of Certificate</u>	<u>Registered Owner</u>	<u>Number and Class of Equity Interests</u>	<u>Percentage of Equity Interests</u>
---------------	----------------------------------	-----------------------------	---	---

DEBT SECURITIES

<u>Issuer</u>	<u>Principal Amount</u>	<u>Date of Note</u>	<u>Maturity Date</u>
---------------	-----------------------------	---------------------	----------------------

PERFECTION CERTIFICATE

Reference is made to the Credit Agreement dated as of June 22, 2006 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among Alon USA Energy, Inc., a Delaware corporation (the "Borrower"), the lenders from time to time party thereto and Credit Suisse, acting through its Cayman Island Branch, as Administrative Agent. Capitalized terms used but not defined herein have the meanings assigned in the Credit Agreement or the Guarantee and Collateral Agreement referred to therein, as applicable.

The undersigned, a Responsible Officer and a legal officer, respectively, of the Borrower, hereby certify to the Administrative Agent and each other Secured Party as follows:

Names. (a) Attached hereto as Schedule 1 is (i) the exact legal name of each Grantor as such name appears in its document of formation, (ii) each other legal name such Grantor has had in the past five years, including the date of the relevant change, and (iii) each other name, including trade names and similar appellations, such Grantor or any of its divisions or other business units has used in connection with the conduct of its business or the ownership of its properties at any time during the past five years.

Except as set forth on Schedule 1 hereto, no Grantor has changed its identity or business structure in any way within the past five years. Changes in identity and business structure include mergers, consolidations and acquisitions, as well as any change in form, nature or jurisdiction of formation. If any merger, acquisition or consolidation has occurred, Schedule 1 sets forth the information required by Sections 1 and 2 of this certificate as to each acquiree and each other constituent party to such merger, acquisition or consolidation.

Locations. (a) Attached hereto as Schedule 2A is the (i) jurisdiction of formation of each Grantor, (ii) organizational identification number and (iii) address (including the county) of the chief executive office of such Grantor.

Attached hereto as Schedule 2B is (i) the name and address of any Person other than a Grantor that has possession of any Collateral (indicating whether such Person holds such Collateral subject to a Lien (other than any Collateral subject to a Lien permitted under Section 6.08 of the Credit Agreement)) and (ii) any other addresses where a Grantor maintains a place of business or any Collateral (other than Accounts and General Intangibles) not otherwise identified in Schedule 2A.

File Search Reports. File search reports have been obtained from the (a) Uniform Commercial Code ("UCC") filing office related to each location of a Grantor identified in Schedules 2A and 2B (other than locations identified pursuant to clause (i) of Section 2(b)) and (b) county recorder's office related to the county where each Mortgaged Property is located.

UCC Filings. UCC financing statements have been prepared for filing in the appropriate (a) UCC filing office related to the jurisdiction of formation for each Grantor and (b) county recorder's office related to the county where each Mortgaged Property with material fixtures is located. Attached hereto as Schedule 4 is a true and correct list of each such filing and the UCC filing office or county recorder's office in which such filing is to be made.

Equity Interests. Attached hereto as Schedule 5 is a true and correct list of all the Equity Interests each Grantor is required to pledge under the Guarantee and Collateral Agreement, specifying the Grantor, issuer and certificate number of, and the number and percentage of ownership represented by such Equity Interests.

Debt Instruments. Attached hereto as Schedule 6 is a true and correct list of all debt instruments and other indebtedness that each Grantor is required to pledge under the Guarantee and Collateral Agreement, specifying any promissory notes or intercompany notes evidencing such debt instruments or indebtedness.

Advances. Attached hereto as Schedule 7 is a true and correct list of all (a) advances made by (i) the Borrower to any Subsidiary and (ii) any Subsidiary to the Borrower or any other Subsidiary, in each case other than those identified on Schedule 6, which advances will be, on and after the date hereof, evidenced by one or more intercompany notes pledged to the Administrative Agent under the Collateral Agreement and (b) unpaid intercompany transfers of goods sold and delivered by the Borrower to any Subsidiary or by any Subsidiary to any other Subsidiary.

Mortgage Filings. Attached hereto as Schedule 8 is a true and correct list, with respect to each Mortgaged Property, of the (a) exact name of the person that owns such property as such name appears in its certificate of formation, (b) exact name of the current record owner of such property as such name appears in the records of the county recorder's office for such property identified pursuant to the following clause and (c) county recorder's office in which a Mortgage with respect to such property must be filed or recorded in order for the Administrative Agent to obtain a perfected security interest therein.

Intellectual Property. Attached hereto as Schedule 9, in proper form for filing with the United States Patent and Trademark Office or the United States Copyright Office, as applicable, is a true and correct list of each Grantor's (i) Copyrights, Copyright Applications and Copyright Licenses, (ii) Patents, Patent Applications and Patent Licenses and (iii) Trademarks, Trademark Applications and Trademark Licenses, in each case including the name of the registered owner, registration number, expiration date, a brief description thereof and, if applicable, the licensee and licensor.

Commercial Tort Claims. Attached hereto as Schedule 10 is a true and correct list of commercial tort claims in excess of \$100,000 held by any Grantor, including a brief description thereof



Deposit Accounts. Attached hereto as Schedule 11 is a true and correct list of deposit accounts maintained by each Grantor, including the name and address of the depository institution, the type of account and the account number.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the undersigned have duly executed this certificate on the Borrowing Date.

ALON USA ENERGY, INC.,

\_\_\_\_\_  
by \_\_\_\_\_

\_\_\_\_\_  
Name: David Wiessman

\_\_\_\_\_  
Title: Executive Chairman of the  
Board of Directors

ALON USA ENERGY, INC.,

\_\_\_\_\_  
by \_\_\_\_\_

\_\_\_\_\_  
Name: Harlin R. Dean

\_\_\_\_\_  
Title: General Counsel