FORM 8-K

Current report filing

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AMPEX CORP /DE/

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SIC: **3663** Radio & tv broadcasting & communications equipment

Mailing Address
1228 DOUGLAS AVENUE
1228 DOUGLAS AVENUE
REDWOOD CITY CA
94063-3117

Business Address
1228 DOUGLAS AVENUE
1228 DOUGLAS AVENUE
REDWOOD CITY CA
94063-3117
650-367-2011

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): October 3, 2008

AMPEX CORPORATION

(Exact name of registrant as specified in its charter)

Delaware	**0-20292**	**13-3667696**
(State or other jurisdiction of incorporation)	**(Commission File Number)**	**(IRS Employer Identification No.)**

1228 Douglas Avenue
Redwood City, California 94063-3117
(Address and zip code of principal executive offices)

Registrant' s telephone number, including area code:
(650) 367-2011

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01. Entry Into a Material Definitive Agreement; Item 1.03. Bankruptcy or Receivership.

On October 3, 2008, Ampex Corporation ("Ampex" or the "Company") announced that its First Modified Third Amended Joint Plan of Reorganization dated July 31, 2008 (the "Plan") became effective under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code").

As previously reported, on March 30, 2008, the Company and certain of its U.S. subsidiaries (together with the Company, the "Debtors") filed voluntary petitions for reorganization under the Bankruptcy Code with the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court") (Jointly Administered Case No. 08-11094). In July 2008, creditors entitled to vote on the Plan voted overwhelmingly in favor of it, and on July 31, 2008 (the "Confirmation Date"), the Bankruptcy Court entered an order confirming the Plan (the "Confirmation Order"). Effective October 3, 2008 (the "Effective Date") all conditions to consummation of the Plan were satisfied or waived in accordance with the Plan**,** and the Plan became effective under the Bankruptcy Code. During the chapter 11 cases, the Debtors continued to operate their businesses as "debtors-in-possession" under the jurisdiction of the Bankruptcy Court and in accordance with the applicable provisions of the Bankruptcy Code and orders of the Bankruptcy Court. As of the Effective Date, Ampex emerged from chapter 11 as a going concern ("Reorganized Ampex").

Upon emergence from chapter 11, Reorganized Ampex and the other reorganized Debtors (together with Reorganized Ampex, the "Reorganized Debtors"), among other things, entered into an amended and restated indenture, a credit agreement and an agreement with the Company' s largest unsecured creditor, Hillside Capital Incorporated ("Hillside"), relating to required pension contributions under the Ampex pension plan and the pension plan of its former subsidiaries (the Media pension plan), and certain other agreements.

Amended Senior Note Indenture

Pursuant to the Plan, the Company exchanged approximately $6.8 million of secured prepetition obligations relating to the 12% Senior Notes due 2008 (the "Old Notes"), together with approximately $0.5 million of interest and fees due thereon, for an aggregate distribution of approximately $3.7 million of cash and approximately $3.7 million of amended 12% Senior Secured Notes due 2009 (the "New Notes"). The New Notes were issued pursuant to an Amended and Restated Indenture dated as of October 3, 2008, between Reorganized Ampex and U.S. Bank National Association, as trustee (the "Amended Indenture"). The Amended Indenture supersedes the indenture governing the Old Notes. The New Notes provide for the payment of principal and interest out of Available Cash Flow (as defined in the Amended Indenture) of Reorganized Ampex, which includes all aggregate cash and cash equivalents received by Reorganized Ampex. The New Notes are secured by assets of the Reorganized Debtors, including certain trademark, patent and copyright collateral. The Amended Indenture contains certain covenants, breach of which could result in acceleration of all principal and interest due under the Amended Indenture and New Notes.

Amended and Restated Hillside-Ampex/Sherborne Agreement

Prior to the Effective Date, Ampex had outstanding debt of approximately $67.2 million, which included approximately $59.9 million of principal and interest due to Hillside under certain promissory notes (the "Hillside Notes") issued under a funding agreement (the "Hillside Agreement") entered into in connection with a settlement agreement (the "PBGC Agreement") between the Company, Hillside and the Pension Benefit Guaranty Corporation ("PBGC"). Under these agreements, Hillside is jointly and severally obligated to provide back-up pension funding to the extent Ampex is unable to make pension contributions under the Ampex pension plan and the Media pension plan.

Pursuant to the Plan, the Reorganized Debtors, Hillside, the Sherborne Group, and certain other parties entered into the Amended and Restated Hillside-Ampex/Sherborne Agreement dated as of October 3, 2008 (the "Amended Hillside Agreement"), which supersedes the Hillside Agreement. Under the Amended Hillside Agreement, Ampex is required to issue a Hillside Note to Hillside in the amount of any contributions Hillside makes to the Ampex or Media pension plans, up to the $25 million limit described below with respect to the Credit

Agreement and the New Preferred Stock (as such terms are defined below). The Hillside Notes will be secured by Hillside' s second lien on certain assets of the Reorganized Debtors. The Amended Hillside Agreement contains certain restrictive covenants which, among other things, restrict the Company' s ability to declare dividends, sell all or substantially all of its assets or commence liquidation, or engage in specified transactions with certain related parties, breach of which could result in acceleration of the Company' s potential termination liabilities.

Credit Agreement

Under the Plan, the Reorganized Debtors also entered into a credit agreement dated as of October 3, 2008 with Hillside, as lender (the "Credit Agreement"). Under the Credit Agreement, Reorganized Ampex may borrow up to $25 million from Hillside, subject to the conditions set forth therein. The Credit Agreement generally consists of three components: (1) $10.5 million of indebtedness, the proceeds of which were used to satisfy approximately $11.0 million of secured prepetition debt to Hillside; (2) up to $5.0 million of new borrowings, which will be used for general working capital purposes and to fund the $3.7 million cash distribution to holders of the Old Notes; and (3) borrowings to satisfy any future obligations incurred by Reorganized Ampex in connection with Hillside' s payment, pursuant to the Amended Hillside Agreement, of required contributions or termination liability under the Company' s pension plans.

The borrowings outstanding under the Credit Agreement may not exceed the aggregate amount of $25 million. To the extent that Hillside makes required pension contributions that would cause amounts outstanding under the Credit Agreement to exceed $25 million, Reorganized Ampex will issue New Preferred Stock to Hillside in the amount of each such contribution. The loans under the Credit Agreement will bear interest at 10% per annum. The balance of amounts outstanding under the Credit Agreement will be repayable, under various terms of the Credit Agreement, in annual installments ranging from $2.9 million to $5.0 million beginning in March 2010. The Credit Agreement sets forth certain events of default, the occurrence of which could cause principal and interest to become immediately due and payable.

As discussed below, Hillside owned over 96% of the outstanding stock of Reorganized Ampex as of the Effective Date, and has certain additional rights under the stockholders' agreement described below.

Stockholders' Agreement

Pursuant to the Plan, Reorganized Ampex entered into a Stockholders' Agreement dated as of October 3, 2008 (the "Stockholders' Agreement") with each holder of New Common Stock (as defined in Item 5.03 below). Under the Stockholders' Agreement, among other things, the stockholders have agreed to vote their shares of New Common Stock to elect three of Hillside' s nominees to the Board of Directors of Reorganized Ampex. Hillside' s initial nominees are Raymond F. Weldon, Donald L. Hawkes III and the Company' s current Chairman and CEO, D. Gordon Strickland. In the event that Reorganized Ampex issues any shares of its New Preferred Stock, the Stockholders' Agreement provides that the size of the Board will be increased and will include nominees of the preferred stockholders and certain holders of New Common Stock designated by Hillside. The Stockholders' Agreement also restricts transfers of New Common Stock, and provides certain tag-along and drag-along rights to Hillside in the event of certain proposed sales of Reorganized Ampex or a majority of the New Common Stock.

CPR Agreement

Under the Plan, all of the Company' s outstanding shares of Class A Common Stock, par value $0.01 per share (the "Old Common Stock"), were cancelled as of the Effective Date. Holders of Old Common Stock did not receive any distributions on account of their interests. However, as a result of the compromises and settlements set forth in the Plan, holders of Old Common Stock who did not object to the Plan were eligible to receive certain contingent payment rights (the "Rights" or "CPRs"), which provide for the pro rata distribution of a portion of the net cash proceeds from certain licensing and other monetization initiatives related to the Debtors' intellectual property in excess of specified amounts. The Confirmation Order provides that the Rights do not constitute securities, will not be registered under the Securities Act of 1933, as amended (the "Securities Act"), and will have limited rights of transferability.

The Rights are governed by the CPR Agreement dated as of October 3, 2008 (the "CPR Agreement"), between Reorganized Ampex and its wholly-owned subsidiary, Ampex International Sales Corporation, as CPR Administrator. Under the CPR Agreement, once net cash proceeds totaling approximately $83.8 million have been received by the Reorganized Debtors, holders of Rights will be entitled to receive their pro rata share of 50% of all subsequent net proceeds related to the Debtors' intellectual property, net of expenses of administering the Rights. There can be no assurance that the Reorganized Debtors will be able to generate any future licensing revenue or other proceeds from other monetization initiatives or, if they do, whether they will attain sufficient levels required to provide for distributions to holders of Rights.

Item 3.02. Unregistered Sales of Equity Securities.

The Plan provided for the issuance of New Common Stock to certain of the Company' s unsecured creditors (including Hillside with respect to its unsecured claim, trade creditors, certain participants in the Company' s supplemental retirement plans, and holders of claims arising from certain environmental obligations) in full and final satisfaction of approximately $43.2 million of their unsecured claims. Certain of these creditors had the option to receive a lump sum cash payment in lieu of receiving shares of New Common Stock, and a significant number of such creditors elected to receive the lump sum cash payment. Accordingly, as of the Effective Date, Reorganized Ampex issued to certain of its unsecured creditors approximately 40,000 shares of New Common Stock. Pursuant to the Plan, the New Common Stock has limited rights of transferability, is not publicly traded and was exempt from registration under the Securities Act pursuant to section 1145 of the Bankruptcy Code.

Item 3.03. Material Modification to Rights of Security Holders.

As described above, under the Plan, all of the Company' s outstanding shares of Old Common Stock (including restricted shares issued under the Bonus Plan and options to purchase shares of Old Common Stock under the Company' s 1992 Stock Incentive Plan, as amended (the "Incentive Plan")) were cancelled as of the Effective Date. Holders of Old Common Stock did not receive any distributions on account of their interests. However, as a result of the compromises and settlements set forth in the Plan, holders of Old Common Stock who did not object to the Plan were eligible to receive the Rights described above.

Item 5.01. Changes in Control of Registrant

The cancellation of the Old Common Stock and the issuance of the New Common Stock to certain unsecured creditors, as contemplated by the Plan, resulted in a change of control of Reorganized Ampex as of the Effective Date. As described above, the Plan provided for the cancellation of all of the Company' s outstanding shares of Old Common Stock, and the issuance to certain unsecured creditors (including Hillside with respect to its unsecured claims) of approximately 40,000 shares of New Common Stock.

Holders of Old Common Stock did not receive any distributions on account of their interests. However, as a result of the compromises and settlements set forth in the Plan, holders of Old Common Stock who did not object to the Plan were eligible to receive the Rights described above. The Plan also provided for the issuance of approximately 40,000 shares of New Common Stock to certain of the Company' s unsecured creditors (including Hillside with respect to its unsecured claim) in full and final satisfaction of approximately $43.2 million of their unsecured claims. Accordingly, Hillside owned 38,583 shares (or over 96%) of the outstanding shares of New Common Stock as of the Effective Date, and has certain additional rights pursuant to the Stockholders' Agreement described above.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Pursuant to the Plan, as of the Effective Date, the size of the Board of Directors of Reorganized Ampex was reduced from six to three, and the following directors have departed the Company' s Board of Directors: Craig L. McKibben, Alain C. Briançon, Charles W. Dyke, Douglas T. McClure, Jr. and Peter Slusser. D. Gordon Strickland will continue to serve as a director and Chairman of the Board, and the following two individuals were elected as members of the Board of Directors of Reorganized Ampex: Raymond F. Weldon and Donald L. Hawks III. Mr. Weldon and Mr. Hawks are managing directors of Hillside, and were elected to the Board as Hillside' s nominees pursuant to the Stockholders' Agreement (described above). They also serve as officers of Reorganized Ampex.

As stated above, on the Effective Date, Craig L. McKibben, who also served as the Company' s Chief Financial Officer, departed the Company in connection with its emergence from chapter 11. Pursuant to the Plan, Christopher Lake was appointed as the new Chief Financial Officer of Reorganized Ampex. Mr. Lake also serves as the chief financial officer and treasurer of MainStreet Media Group, LLC, a position he has held since January 2004. MainStreet Media Group, LLC is a publisher of community newspapers in California, and is controlled by an affiliate of Hillside. Mr. Lake' s responsibilities at MainStreet Media Group, LLC include oversight of all of its financial functions, including accounting, budgeting, credit, insurance, human resources, cost, tax and treasury. Prior to joining Main Street Media Group, LLC, Mr. Lake served as chief financial officer of Acushnet Rubber Company (d/b/a Precix, Inc.) from April 2002 through January 2004, where his responsibilities included oversight of financial functions similar to those at MainStreet Media Group, LLC, but also included oversight of purchasing and information technology functions.

Under the Plan, Mr. Strickland will be entitled to receive annual base salary compensation of $425,000, and bonus compensation of up to $400,000 per year, which is not guaranteed and which will be based upon the financial performance of the Reorganized Debtors. Mr. Strickland is also entitled to receive a bonus based upon the incremental equity value of reorganized Ampex Data Systems Corporation ("Reorganized Data Systems"), which will be payable upon a sale of Reorganized Data Systems or upon termination of his employment. Mr. Strickland is entitled to receive restricted shares (or their contractual equivalent) representing 5% of New Common Stock, which will vest over four years, with accelerated vesting upon a change in control. His arrangement also provides for severance payments equal to twelve months of base salary if he is terminated without cause before December 31, 2009, and six months of base salary if he is terminated without cause thereafter.

Under the Plan, Joel D. Talcott, Vice President and Secretary of Reorganized Ampex, will be entitled to receive annual base salary compensation of $185,000. Mr. Talcott' s bonus will be based upon the financial performance of the Reorganized Debtors' intellectual property portfolio, and will include 1.25% of the royalty streams received from their pre-existing licenses, and 2.25% of the royalties received on intellectual property that was not revenue-bearing prior to the Effective Date. Mr. Talcott will be retained for a minimum of six months following the Effective Date at his current compensation, and will be re-evaluated thereafter based on the performance of the Reorganized Debtors' intellectual property portfolio. His arrangement also provides for severance payment of the bonus described above through the first anniversary of the Effective Date, if he is terminated without cause within one year following the Effective Date.

Item 5.03. Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.

As stated above, pursuant to the Plan, on the Effective Date, Reorganized Ampex filed an Amended and Restated Certificate of Incorporation, a Certificate of Designations, Preferences and Rights governing the New Preferred Stock, and amended its Bylaws. The Amended and Restated Certificate of Incorporation provides that the authorized capital stock of Reorganized Ampex consists of (i) 40,000 shares of Common Stock designated as Class A Common Stock, par value $0.01 per share (the "New Common Stock"); and (ii) 5,000 shares of Preferred Stock, par value $1.00 per share ("New Preferred Stock"). The New Common Stock will be subject to all of the rights, privileges, preferences and priorities of any series of New Preferred Stock. Shares of New Common Stock are subject to restrictions on transfer pursuant to the charter and the Stockholders' Agreement described above. The New Preferred Stock may be issued in one or more series, as determined by the Board of Reorganized Ampex. The Amended and Restated Certificate of Incorporation, Certificate of Designations and amended Bylaws are attached as Exhibits 3.1, 3.2, and 3.3 hereto and are incorporated herein by reference, and the foregoing summary is qualified in its entirety by reference to such documents.

Item 8.01. Other Events.

On October 3, 2008, Reorganized Ampex issued a press release announcing that the Plan became effective under chapter 11 of the Bankruptcy Code on the Effective Date. A copy of the press release is attached hereto as Exhibit 99.1.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

3.1 Amended and Restated Articles of Incorporation of Reorganized Ampex, dated October 3, 2008.

3.2 Certificate of Designations, Preferences and Rights of Series A Redeemable Preferred Stock of Reorganized Ampex.

3.3 Bylaws of Reorganized Ampex, as amended through October 3, 2008.

4.1 Form of New Common Stock Certificate.

4.2 Stockholders' Agreement dated as of October 3, 2008, between Reorganized Ampex and the stockholders named therein.

4.3 Amended Senior Secured Indenture dated as of October 3, 2008, between Reorganized Ampex and U.S. Bank National Association, as successor trustee, relating to the 12% Senior Notes due 2009 of Reorganized Ampex, including form of 12% Senior Notes.

10.1 Amended and Restated Hillside-Ampex/Sherborne Agreement dated as of October 3, 2008, among Reorganized Ampex, Hillside, Sherborne Holdings Incorporated and the other parties named therein.

10.2 Credit Agreement dated as of October 3, 2008, between Reorganized Ampex and Hillside.

10.3 Security Agreement dated as of October 3, 2008, among Reorganized Ampex, Hillside and the parties named therein.

10.4 Collateral Agency and Intercreditor Agreement dated as of October 3, 2008, among Reorganized Ampex, Hillside, U.S. Bank National Association and the parties named therein.

10.5 Contingent Payment Rights Agreement dated as of October 3, 2008, between Reorganized Ampex and Ampex International Sales Corporation, as CPR Administrator.

99.1 Press Release of Ampex Corporation, dated October 3, 2008.

Forward-Looking Statements

This report (including the exhibits hereto), may contain predictions, projections and other statements about the future that are intended to be "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause the Company' s actual results, performance or achievements, or industry results, to differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements. Such risks, uncertainties and other important factors include, but are not limited to, those described in the Company' s 2007 Annual Report on Form 10-K, its Quarterly Reports on Form 10-Q and the other documents the Company periodically files with the SEC, as well as the following: the effects of the Company' s chapter 11 filing on the Company and the interests of its various creditors, equity holders and other constituents; Bankruptcy Court rulings in the chapter 11 case and the outcome of the proceeding in general; increased legal costs related to the chapter 11 case and other litigation; the Company' s ability to maintain contracts

that are critical to its operations, to obtain and maintain normal terms with customers, suppliers and service providers and to retain key executives, managers and employees; the Company' s ability to manage costs, maintain adequate liquidity, maintain compliance with debt covenants and continue as a going concern; and the risks related to trading in the Company' s common stock, which was delisted from Nasdaq, and which was canceled as of the Effective Date. These forward-looking statements speak only as of the date of this report, and the Company disclaims any obligation or undertaking to update such statements. In assessing forward-looking statements contained in this report, readers are urged to read carefully all such cautionary statements.

[SIGNATURE PAGE FOLLOWS]

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

AMPEX CORPORATION

By: /s/ Ramon C. H. Venema

Ramon C. H. Venema
Vice President and Assistant Treasurer

Date: October 9, 2008

EXHIBIT INDEX

Exhibit Number	Description
3.1*	Amended and Restated Articles of Incorporation of Reorganized Ampex, dated October 3, 2008.
3.2*	Certificate of Designations, Preferences and Rights of Series A Redeemable Preferred Stock of Reorganized Ampex.
3.3*	Bylaws of Reorganized Ampex, as amended through October 3, 2008.
4.1*	Form of New Common Stock Certificate.
4.2*	Stockholders' Agreement dated as of October 3, 2008, between Reorganized Ampex and the stockholders named therein.
4.3*	Amended Senior Secured Indenture dated as of October 3, 2008, between Reorganized Ampex and U.S. Bank National Association, as successor trustee, relating to the 12% Senior Notes due 2009 of Reorganized Ampex, including form of 12% Senior Notes.
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10.5*	Contingent Payment Rights Agreement dated as of October 3, 2008, between Reorganized Ampex and Ampex International Sales Corporation, as CPR Administrator.
99.1*	Press Release of Ampex Corporation, dated October 3, 2008.

* Filed herewith.

EXHIBIT 3.1

AMENDED AND RESTATED CERTIFICATE OF INCORPORATION

OF

AMPEX CORPORATION

Ampex Corporation, a corporation organized and existing under the laws of the State of Delaware, hereby certifies as follows:

The name of the corporation is Ampex Corporation (the "Corporation"). The name under which this corporation was originally incorporated was Ampex Delaware Incorporated and the date of filing of its original Certificate of Incorporation with the Secretary of State of the State of Delaware was January 22, 1992. The original Certificate of Incorporation was restated pursuant to a Restated Certificate, dated as of May 28, 1993, as amended by Certificates of Amendment, dated as of April 21, 1994, April 20, 1995, June 21, 1999 and June 11, 2003 (the "Current Certificate of Incorporation"). This Amended and Restated Certificate of Incorporation (this "Certificate of Incorporation") was duly adopted, without the need for approval of the Board of Directors or the stockholders, in accordance with §§ 242, 245, and 303 of the Delaware General Corporation Law (the "DGCL") and in accordance with a plan of reorganization of the Corporation (the "Plan") approved by order of the United States Bankruptcy Court for the Southern District of New York in *In re: Ampex Corporation, et al.*, under Chapter 11 of the United States Bankruptcy Code (11 U.S.C. § 101- 1330, as amended (the "Bankruptcy Code"). The Current Certificate of Incorporation of the Corporation is hereby amended and restated to read in its entirety as follows:

ARTICLE I - NAME

The name of the Corporation is Ampex Corporation.

ARTICLE II - REGISTERED OFFICE

The registered office of the Corporation in the State of Delaware is located at Corporation Service Company, in the City of Wilmington, County of New Castle. The name and address of its registered agent is Corporation Service Company, 2711 Centerville Road, Suite 400, Wilmington, Delaware 19808.

ARTICLE III - PURPOSE AND POWERS

The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the DGCL. The Corporation shall have all power necessary or convenient to the conduct, promotion or attainment of such acts and activities.

ARTICLE IV - CAPITAL STOCK

4.1 AUTHORIZED SHARES.

(a) *Capital Stock*. The total number of shares of all classes of stock that the Corporation shall have the authority to issue is 45,000, consisting of two classes of capital stock: 40,000 shares of Class A Common Stock, having a par value of $.01 per share (the "Class A Common Stock"); and 5,000 shares of Preferred Stock, having a par value of $1.00 per share ("Preferred Stock").

(b) *Preferred Stock*. The Preferred Stock may be issued from time to time in whole or in part in one or more series. Subject to applicable law and the provisions of this Certificate of Incorporation, the Board of Directors is authorized to determine the designation of any series, to fix the number of shares of any series of the Preferred Stock, and to determine the rights, powers, preferences, privileges, limitations and restrictions granted to or imposed upon any wholly unissued series of Preferred Stock and, within the limits and restrictions stated in any resolution or resolutions of the Board of Directors originally fixing the number of shares constituting any series of the Preferred Stock, to increase or decrease (but not below the number of shares of any such series then outstanding) the number of shares of any such series subsequent to the issue of shares of that series. In case the number of shares of any series shall be so decreased, the shares constituting such decrease shall resume the status which they had prior to the adoption of the resolution originally fixing the number of shares of such series. Any voting rights granted to the holders of any shares of Preferred Stock shall be subject to, and shall expressly be made subject to, the voting restrictions on securities beneficially owned by Restricted Foreign Holders (as defined below in Section 4.2(d), and such restrictions shall apply to all shares of Preferred Stock issued by the Corporation.

(c) *Non-Voting Stock*. Notwithstanding anything herein to the contrary, the Corporation shall not be authorized to issue non-voting capital stock of any class, series or other designation to the extent prohibited by Section 1123(a)(6) of title 11 of the Bankruptcy Code; provided, however, that the foregoing restriction shall (i) have no further force and effect beyond that required under Section 1123(a)(6) of the Bankruptcy Code, (ii) only have such force and effect to the extent and for so long as such Section 1123(a)(6) is in effect and applies to the Corporation and (iii) be deemed void or eliminated if required under applicable law or United States Department of Defense regulations.

4.2 COMMON STOCK.

(a) *Relative Rights*. The Common Stock shall be subject to all of the rights, privileges, preferences and priorities of any series of Preferred Stock. As used in this Certificate of Incorporation, the term "Common Stock" shall refer to the Class A Common Stock. Except as expressly provided otherwise in this Article IV or as required by law, all shares of Common Stock (the "Common Stock") shall have the same relative rights as and be identical in all respects to all the other shares of Common Stock.

(b) *Dividends*. Subject to the rights of holders of any outstanding series of Preferred Stock authorized pursuant to Section 4.1(b), the Board of Directors may cause dividends to be declared and paid on outstanding shares of Common Stock out of funds legally available for the payment of dividends. When, as and if declared by the Board of Directors, whether payable in cash, in property, in stock or otherwise, in accordance with this Certificate of Incorporation and the bylaws of the Corporation, out of the assets of the Corporation which are at law available therefor, the holders of shares of Common Stock shall be entitled to share equally in, and to receive in accordance with the number of shares of Common Stock held by each such holder, all such dividends, except that if dividends are declared that are payable in shares of Common Stock, such stock dividends shall be payable at the same rate on the shares of each class of Common Stock and shall be payable only in shares of Class A Common Stock ("Class A Shares") to holders of Class A Common Stock.

(c) *Voting Rights*. Except as otherwise required by law or provided below in this Section 4.2 and subject to the rights of holders of any outstanding series of Preferred Stock authorized pursuant to Section 4.1(b), the approval of all matters brought before the stockholders of the Corporation shall require the affirmative vote of the holders of a majority in voting power of the Common Stock that are present in person or represented by proxy and voting as a single class, with each Class A Share being entitled to one vote. Subject to the voting rights of the holders of any outstanding shares of Preferred Stock, any director or the entire Board of Directors may be removed, but only for cause and only upon the affirmative vote of at least a majority of the outstanding shares of Common Stock having voting rights.

(d) *Foreign Ownership*. Notwithstanding any other provision of this Certificate of Incorporation, Class A Shares owned of record or beneficially by any Restricted Foreign Holder (defined below) shall not be entitled to vote on any matter submitted to a vote of stockholders and shall not be considered in determining whether any voting level set forth in this Certificate of Incorporation has been met. For purposes of this Section, a "Restricted Foreign Holder" is any Person identified by name or status by the United States Department of Defense (the "DoD") in any notice to the Corporation, whether written or oral, advising the Corporation that such Person' s ownership of Common Stock is the subject of an investigation, inquiry or other action with respect to foreign ownership, control or influence of or on the Corporation which could adversely affect the Corporation' s facility security clearances granted to it by the United States government to enable the Corporation to perform classified government contracts. Upon receipt by the Corporation of notice of any final determination by the DoD that such Person' s ownership of Common Stock of the Corporation will not adversely affect the Corporation' s security clearance, such Person shall no longer be a Restricted Foreign Holder. If the DoD' s final determination is that such Person' s ownership of Common Stock adversely affects the Corporation' s U.S. government facility security clearances, then such Person shall continue to be a Restricted Foreign Holder for so long as such final determination remains in effect. Within 10 days of receipt of any such notice of investigation, inquiry, other action or final determination, the Corporation shall send notice thereof, and of the consequences hereunder thereof, to any affected Restricted Foreign Holder.

(e) *Legend on Certificates of Class A Shares*. All certificates for the Corporation' s Class A Shares shall conspicuously bear the following legend to reflect the requirements of this Section:

THE SHARES REPRESENTED BY THIS CERTIFICATE ARE RESTRICTED PURSUANT TO THE CERTIFICATE OF INCORPORATION OF THE CORPORATION TO THE EFFECT THAT THE VOTING RIGHTS OF CERTAIN HOLDERS OF THE CORPORATION' S SECURITIES MAY BE NULLIFIED IN THE EVENT OF AN INQUIRY OR DETERMINATION BY THE U.S. DEPARTMENT OF DEFENSE REGARDING FOREIGN OWNERSHIP OF THE CORPORATION AND ITS POSSIBLE EFFECTS ON NATIONAL SECURITY.

(f) *Consideration Received Upon Business Combination*. In any merger, consolidation, or other business combination with any party, the consideration to be received per share by the holders of Common Stock must be identical for each class of stock, except that in any such transaction in which shares of common stock are to be received by holders of Common Stock in exchange for or upon conversion of such shares of Common Stock, such shares may differ as to voting rights and conversion rights to the extent that voting rights and conversion rights differ among the classes of Common Stock pursuant to this Certificate of Incorporation.

ARTICLE V - LIMITATION ON TRANSFER OF SHARES

5.1 General

(a) *Restrictions on Transfer*. No Person shall transfer in any manner whatsoever, including by way of sale, transfer, assignment, conveyance or other disposition, including without limitation by merger or operation of law, whether voluntarily or involuntarily, other than a sale, transfer, assignment, conveyance or other disposition by or to the Corporation, or by any stockholder of the Corporation for estate planning purposes or pursuant to the laws of descent and distribution, or pursuant to any domestic relations order, any shares of Common Stock or any option, warrant or other right to purchase or acquire shares of Common Stock (such warrant, option, or security being an "Option") (any such action being a "Transfer"), except as expressly permitted by this Article V or Article III or Article IV of the Stockholders' Agreement.

(b) *Board Consent*. Except as permitted by Section 5.1(c) below, no Person shall Transfer any shares of Common Stock to any Third Party without the prior consent of a majority of the Board of Directors.

(c) *Permitted Transferees*. The restrictions on Transfer set forth in Section 5.1(b) shall not apply to (i) any Transfer by a Hillside Investor of Common Stock or (ii) any transfer by any stockholder of the Corporation to a Permitted Transferee.

(d) *Exchange Act Restrictions*. No Person or group of Persons acting together pursuant to a common plan or arrangement shall take any action or make any Transfer in each case, whether voluntary or involuntary, of record, by operation of law or otherwise of Common Stock or any Options to any Person (regardless of the manner in which such Person initially acquired such shares of Common Stock or Options), nor shall the Corporation issue, sell or otherwise transfer any shares of Common Stock or Options to any Person:

(i) if the Corporation reasonably determines that such Transfer would, if effected, result in the Corporation having 300 or more holders of record (as such concept is understood for purposes of Section 12(g) of the Exchange Act and any relevant rules promulgated thereunder), unless the Corporation is already subject to the reporting obligations under Sections 13 or 15(d) of the Exchange Act and any relevant rules promulgated thereunder, in which event any such action or Transfer shall be void, unless such Transfer is approved by a majority of the Board of Directors; and

(ii) with respect to Transfers of shares of Common Stock, unless the certificates representing such shares bear legends as provided in Section 5.1(f) below, for so long as such legends are applicable and, prior to the termination of the Stockholders' Agreement, such transferee (i) shall have executed and delivered to the Corporation, as a condition precedent to any acquisition of shares of Common Stock, an instrument in form and substance satisfactory to the Corporation confirming that such transferee takes such shares of Common Stock subject to all the terms and conditions of the Stockholders' Agreement and (ii) agrees to be bound by the terms of the Stockholders' Agreement.

The Corporation shall not transfer upon its books any shares of Common Stock to any Person except in accordance with this Certificate of Incorporation and the Stockholders' Agreement.

(e) *Requests for Transfer*. (i) In order to provide for the effective policing of this Section 5.1, a potential transferor or transferee who proposes to effect a Transfer, prior to the date of the proposed Transfer, must submit a request in writing (a "Request") that the Corporation review the proposed Transfer and authorize or not authorize the proposed Transfer pursuant to this Section 5.1. A Request shall be mailed or delivered to (i) the Secretary, General Counsel or Chief Financial Officer of the Corporation, or any of their designees and (ii) the Chairman of the Board of the Corporation (the "Transfer Request Recipients"), in each case at the Corporation' s principal place of business. Such Request shall be deemed to have been delivered when mailed or delivered to the Transfer Request Recipients in accordance with this Certificate of Incorporation. A Request shall include (A) the name, address, place of birth, citizenship and telephone number of the proposed transferee, (B) a description of the interest proposed to be transferred by the proposed transferee, including the number of shares of Common Stock or Options proposed to be so transferred, (C) the date on which the proposed Transfer is expected to take place, (D) the name of the proposed transferor of the interest to be Transferred, (E) the percentage of the proposed transferor' s total interest to be Transferred, (F) if applicable, reasonably sufficient information (which may, but shall not be required to, include an opinion of counsel) to establish that no registration of such proposed Transfer is required under the Securities Act and all applicable state securities or "blue sky" laws and (G) a request that the Corporation authorize, if appropriate, the Transfer pursuant to the relevant sections of this Section 5.1 and inform the proposed transferor and transferee of its determination regarding the proposed Transfer. Within five (5) Business Days of receipt of any Request, the Transfer Request Recipients shall seek to obtain the Board' s authorization or denial of the proposed Transfer described in the Request; provided; however; that (1) if the Transfer Request Recipients do not obtain the authorization or denial of the proposed Transfer within such five (5) Business Days, such Transfer shall be deemed to be authorized hereunder, and (2) if, based on the Board' s denial, the Transfer Request Recipients deny such proposed Transfer under subclause (c) or (d) of this Section 5.1 then, upon the further request of the potential transferor, the Board of Directors shall call a special meeting as soon as practicable, and in any case within fifteen (15) days after receipt by the Transfer Request Recipients of the initial Request, will act to determine

whether to authorize the proposed Transfer described in the Request. The Board of Directors shall conclusively determine whether to authorize the proposed Transfer, in its discretion and judgment (which discretion and judgment shall be limited to the same bases as are set forth above under subclause (c) or (d) of this Section 5.1 with regard to the Transfer Request Recipients and under subclause (e)(ii) of this Section 5.1), and shall immediately inform the proposed transferee or transferor making the Request of such determination; provided, however, that in no event shall the potential transferor be permitted to challenge a decision made by the Board of Directors pursuant to subclause (b) of this Section 5.1.

(ii) *Authorization of Transfer of Capital Stock*. Notwithstanding anything to the contrary set forth in Section 5.1(d)(i), to the extent permitted by law, the Transfer Request Recipient shall authorize a Transfer of shares of Common Stock or Options that would result in the Company having 300 or more holders of record (as such concept is understood for purposes of Section 12(g) of the Exchange Act and any rules promulgated thereunder) if the Board has approved such a Transfer. The Transfer Request Recipient and the Board shall authorize (A) a Transfer by a stockholder to another stockholder or by the holder of an Option to another holder of an Option, or (B) a Transfer of all shares or Options owned by the proposed Transferor to a single Person who is treated as a single record holder under the Exchange Act. For the avoidance of doubt, the Transfer Request Recipient and the Board shall approve the Transfers in the order in which the Requests are received; provided, however, that in the event that the Corporation denies a Request to Transfer any shares of Common Stock or Options, prior to approving any subsequent Request to Transfer any shares of Common Stock or Options, the Corporation shall provide prior notice to any Persons who were previously denied their Request and a reasonable period of time for any such Persons to make subsequent Requests to Transfer their shares or Options, which subsequent Requests shall be approved in the order of which the initial Requests were previously received.

(f) *Legend on Certificates*. (i) All certificates for shares of Common Stock shall conspicuously bear the following legend:

THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAWS AND MAY NOT BE SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT IN ACCORDANCE WITH THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT OF 1933, AS AMENDED, OR AN EXEMPTION THEREFROM AND, IN EACH CASE, IN COMPLIANCE WITH APPLICABLE STATE SECURITIES LAWS.

(ii) In addition to the legend required by Section 5.1(f)(i) above, all certificates for shares of Common Stock shall conspicuously bear the following legend:

THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO VARIOUS CONDITIONS, INCLUDING CERTAIN RESTRICTIONS ON SALE, DISPOSITION OR TRANSFER AS SET FORTH IN THE CORPORATION' S CERTIFICATE OF INCORPORATION, AS AMENDED (THE "CERTIFICATE OF INCORPORATION"), AND THE STOCKHOLDERS' AGREEMENT

DATED AS OF OCTOBER 3, 2008 BETWEEN THE CORPORATION AND THE PARTIES NAMED THEREIN, AS IT MAY BE AMENDED FROM TIME TO TIME (THE "STOCKHOLDERS' AGREEMENT"). NO REGISTRATION OR TRANSFER OF THESE SHARES WILL BE MADE ON THE BOOKS OF THE CORPORATION UNLESS AND UNTIL SUCH RESTRICTIONS SHALL HAVE BEEN COMPLIED WITH. THE CORPORATION WILL FURNISH WITHOUT CHARGE TO EACH HOLDER OF RECORD OF THE SHARES REPRESENTED BY THIS CERTIFICATE A COPY OF THE CERTIFICATE OF INCORPORATION AND STOCKHOLDERS' AGREEMENT, CONTAINING THE ABOVE-REFERENCED RESTRICTIONS ON TRANSFERS OF STOCK, UPON WRITTEN REQUEST TO THE CORPORATION AT ITS PRINCIPAL PLACE OF BUSINESS.

In the event that any shares of Common Stock shall be registered under the Securities Act, the Corporation shall, upon the written request of the holder thereof, issue to such holder a new certificate evidencing such stock without the legend required by Section 5.1(f)(i) endorsed thereon. In the event that the Common Stock shall cease to be subject to the restrictions on transfer of this Section 5.1, the Corporation shall, upon the written request of the holder thereof, issue to such holder a new certificate evidencing such stock without the legend required by Section 5.1(f)(ii) endorsed thereon.

(g) *Authority of Board of Directors to Interpret*. Nothing contained in this Article V shall limit the authority of the Board of Directors to take such other action to the extent permitted by law as it deems necessary or advisable to preserve the Corporation' s status as a non-reporting company under the Exchange Act.

(h) *Merger Transactions*. Notwithstanding any other provisions to the contrary, the Corporation may enter into an agreement to consolidate with or merge with or into any other corporation if such agreement is approved by the requisite vote of the holders of a majority of the outstanding shares of Common Stock, the Board of Directors, and complies with the DGCL and any other applicable laws.

(i) *Termination*. The provisions of this Section 5.1 (except the legend requirements set forth in Section 5(f)(i) above, to the extent still applicable) shall terminate upon the earliest to occur of (i) a QPO;, (ii) the prior approval by the holders of at least a majority of the outstanding shares of Common Stock; and (iii) termination of the Stockholders' Agreement.

ARTICLE VI - BOARD OF DIRECTORS

The number of directors of the Corporation shall be such number as from time to time shall be fixed by, or in the manner provided in, the bylaws of the Corporation. Unless and except to the extent that the bylaws of the Corporation shall otherwise require, the election of directors of the Corporation need not be by written ballot. Except as otherwise provided in this Certificate of Incorporation, each director of the Corporation shall be entitled to one vote per director on all matters voted or acted upon by the Board of Directors.

ARTICLE VII - INDEMNIFICATION

(a) *Right to Indemnification*. Each Person who was or is made a party or is threatened to be made a party to or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (hereinafter a "proceeding"), by reason of the fact that he or she or a Person of whom he or she is the legal representative is or was a director, officer, employee or agent of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee or agent of any other corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to any employee benefit plan (hereinafter an "indemnitee"), whether the basis of such proceeding is alleged action in an official capacity as a director, officer, employee or agent or in any other capacity while serving as a director, officer, employee or agent, shall be indemnified and held harmless by the Corporation to the fullest extent authorized by the DGCL, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than said law permitted the Corporation to provide prior to such amendment), against all expense, liability and loss (including, without limitation, attorneys' fees, judgments, fines, excise taxes or penalties under the Employee Retirement Income Security Act of 1974, as amended, and amounts paid or to be paid in settlement) reasonably incurred by such indemnitee in connection therewith; provided, however, that except as provided in clause (c) of this Article VII with respect to proceedings seeking to enforce rights to indemnification, the Corporation shall indemnify any such indemnitee seeking indemnification in connection with a proceeding (or part thereof) initiated by such indemnitee only if such proceeding (or part thereof) was authorized by the Board of Directors.

(b) *Right to Advancement of Expenses*. The right to indemnification conferred in clause (a) of this Article VII shall include the right to be paid by the Corporation the expenses (including without limitation reasonable attorneys' fees) incurred in defending any such proceeding in advance of its final disposition (hereinafter an "advancement of expenses"); provided, however, that, if the DGCL requires, an advancement of expenses incurred by an indemnitee in his or her capacity as a director, officer or employee (and not in any other capacity in which service was or is rendered by such indemnitee, including, without limitation, service to an employee benefit plan) shall be made only upon delivery to the Corporation of an undertaking (hereinafter an "undertaking"), by or on behalf of such indemnitee, to repay all amounts so advanced if it shall ultimately be determined by final judicial decision from which there is no further right to appeal (hereinafter a "final adjudication") that such indemnitee is not entitled to be indemnified for such expenses under this clause (b) or otherwise.

(c) *Right of Indemnitee to Bring Suit*. If a claim under clauses (a) or (b) of this Article VII is not paid in full by the Corporation within thirty (30) days after a written claim has been received by the Corporation, except in the case of a claim for an advancement of expenses, in which case the applicable period shall be twenty (20) days, the indemnitee may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim. If successful in whole or in part in any such suit, or in a suit brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the indemnitee shall be entitled to be paid also the expense (including without limitation reasonable attorneys' fees) of prosecuting or defending such suit. In (i) any suit brought by the indemnitee to enforce a right to

indemnification hereunder (but not in a suit brought by the indemnitee to enforce a right of an advancement of expenses) it shall be a defense that, and (ii) in any suit brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the Corporation shall be entitled to recover such expenses upon a final adjudication that, the indemnitee has not met any applicable standard for indemnification set forth in the DGCL. Neither the failure of the Corporation (including its Board of Directors, independent legal counsel or stockholders) to have made a determination prior to the commencement of such action that indemnification of the indemnitee is proper in the circumstances because the indemnitee has met the applicable standard of conduct set forth in the DGCL, nor an actual determination by the Corporation (including its Board of Directors, independent legal counsel or stockholders) that the indemnitee has not met such applicable standard of conduct, shall create a presumption that the indemnitee has not met the applicable standard of conduct or, in the case of such a suit brought by the indemnitee, be a defense to such suit. In any suit brought by the indemnitee to enforce a right to indemnification or to an advancement of expenses hereunder, or brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the burden of proving that the indemnitee is not entitled to be indemnified, or to such advancement of expenses, under this Article VII or otherwise shall be on the Corporation.

(d) *Non-Exclusivity of Rights*. The right to indemnification and the advancement of expenses conferred in this Article VII shall not be exclusive of any other right which any Person may have or hereafter acquire under any statute, provision of this Certificate of Incorporation, provision of the Corporations' bylaws, agreement, vote of stockholders or disinterested directors or otherwise.

(e) *Insurance*. The Corporation may maintain insurance, at its expense, to protect itself and any director, officer, employee or agent of the Corporation or another corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss, whether or not the Corporation would have the power to indemnify such Person against such expense, liability or loss under the DGCL.

(f) *Indemnification of Agents of the Corporation*. The Corporation may, to the extent authorized from time to time by the Board of Directors, grant rights to indemnification, and rights to the advancement of expenses, to any agent of the Corporation to the fullest extent of the provisions of this Article VII with respect to the indemnification and advancement of expenses of directors, officers and employees of the Corporation.

(g) *Contract Rights*. The rights to indemnification and to the advancement of expenses conferred in clauses (a) and (b) shall be contract rights and such rights shall continue as to an indemnitee who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the indemnitee' s heirs, executors and administrators.

(h) *Effectiveness*. Notwithstanding anything to the contrary herein, this Article VII shall not be deemed to provide any right or protection to any Person with regard to any act or omission that occurred prior to the effectiveness of this Article VII. This clause (h) of Article VII shall not limit any rights that any Person may have pursuant to Section 12.8 of the Plan.

ARTICLE VIII - DEFINITIONS

The following terms shall have the following meanings:

(a) "**Affiliate**" means: (1) with respect to any Person, any of (a) a director, officer or 5% Owner of such Person, (b) a Family Member of such Person (or a Family Member of any director, officer or 5% Owner of such Person) and (c) any other Person that, directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, another Person; or (2) in any event, any Person meeting the definition of "Affiliate" set forth in Rule 405 under the Securities Act. The term "control" includes, without limitation, the possession, directly or indirectly, of the power to direct the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

(b) "**Bankruptcy Code**" means Title 11 of the United States Code, 11 U.S.C. § § 101-1330.

(c) "**Board**" or "**Board of Directors**" means the Board of Directors of the Corporation.

(d) "**Effective Date**" means October 3, 2008, upon which (i) the Effective Date as provided for in the Plan shall have occurred, and (ii) shares of Common Stock are issued to the stockholders pursuant to the Plan.

(e) "**Exchange Act**" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

(f) "**5% Owner**" of any Person means any other Person directly or indirectly owning, controlling or holding at least five percent (5%) or more of the outstanding voting securities, capital stock or equity of such Person.

(g) "**Family Member**" of any Person means any spouse, parent, stepparent, sibling, child, stepchild, ancestor or descendant of such Person and any other person (other than a tenant or employee) sharing such Person' s household.

(h) "**Hillside Investors**" means the Persons listed under the heading "Hillside Investors" on Schedule B of the Stockholders' Agreement and shall include any Affiliate of any Hillside Investor to whom Shares are transferred.

(i) "**Permitted Transferee**" means, with respect to any Person, (i) any other Person directly or indirectly owning, controlling or holding with power to vote a majority of the outstanding voting securities or equity or beneficial interests in such Person, (ii) any other Person a majority of whose outstanding voting securities and equity or beneficial interests are directly or indirectly owned, controlled or held with power to vote by such Person, (iii) any other Person a majority of whose outstanding voting securities and equity or other beneficial interests are directly or indirectly owned, controlled or held with power to vote by a Person directly or indirectly owning, controlling or holding with power to vote a majority of the outstanding voting securities and equity or other beneficial interests of such Person with whom affiliate status is being tested; (iv) a trust, limited partnership or limited liability company benefiting solely such Person and/or any Family Member of such Person (or a Family Member of any director or officer of such Person) and (v) any Family Member or other Affiliate of such Person.

(j) "**Person**" shall be construed broadly and shall include an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization, or a governmental entity (or any department, agency, or political subdivision thereof).

(k) "**QPO**" means the first underwritten public offering pursuant to an effective registration statement covering a sale of Common Stock to the public, that (A) is led by a nationally recognized investment bank, and (B) results in the Common Stock being listed on a national securities exchange or quoted on NASDAQ.

(l) "**SEC**" means the United States Securities and Exchange Commission, or any other Federal agency at the time administering the Securities Act or the Exchange Act.

(m) "**Securities Act**" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

(n) "**Stockholders' Agreement**" means the Stockholders' Agreement, dated as of the Effective Date, among the Corporation and certain stockholders of the Corporation named therein, as the same may be further amended, modified or supplemented from time to time.

(o) "**Third Party**" means a bona fide prospective purchaser of Common Stock in an arm' s-length transaction from a holder of such Common Stock where such purchaser is not a party to the Stockholders' Agreement or a Permitted Transferee of such holder of Common Stock.

ARTICLE IX - DURATION OF CORPORATION

The Corporation is to have perpetual existence.

ARTICLE X - LIMITATION ON LIABILITY

A director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director' s duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the DGCL, or (iv) for any transaction from which the director derived any improper personal benefit. The Corporation shall indemnify to the fullest extent permitted by law any person made or threatened to be made a party to an action or proceeding, whether criminal, civil, administrative or investigative, by reason of the fact that he, his testator or intestate is or was a director or officer of the Corporation or any predecessor of the Corporation, or serves or served at any other enterprise as a director or officer at the request of the Corporation or any predecessor to the Corporation. If the DGCL is amended after the date of the filing of this Certificate of Incorporation to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the DGCL, as so amended. No repeal or modification of this Article X shall apply to or have any effect on the liability or alleged liability of any director of the Corporation for or with respect to any acts or omissions of such director occurring prior to such repeal or modification.

ARTICLE XI - AMENDMENT OF BYLAWS

In furtherance and not in limitation of the powers conferred by the laws of Delaware, the Board of Directors of the Corporation is authorized and empowered to adopt, alter, amend and repeal the bylaws of the Corporation in any manner not inconsistent with the laws of Delaware.

ARTICLE XII - MEETINGS OF STOCKHOLDERS; CORPORATE BOOKS

Meetings of the stockholders may be held within or without the State of Delaware, as the bylaws may provide. The books of the Corporation may be kept (subject to any provision contained in the statutes) outside the State of Delaware at such place or places as may be designated from time to time by the Board of Directors or in the bylaws of the Corporation.

ARTICLE XIII - AMENDMENT OF CERTIFICATE OF INCORPORATION

The Corporation reserves the right to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, in the manner now or hereafter prescribed by statute.

[Remainder of the page intentionally left blank]

IN WITNESS WHEREOF, AMPEX CORPORATION has caused this Amended and Restated Certificate of Incorporation to be signed by Joel D. Talcott, its Vice President & Secretary, this 3rd day of October, 2008.

AMPEX CORPORATION

By: /s/ Joel D. Talcott

Name: Joel D. Talcott

Title: Vice President & Secretary

EXHIBIT 3.2

CERTIFICATE OF DESIGNATIONS, PREFERENCES AND RIGHTS

OF

SERIES A REDEEMABLE PREFERRED STOCK

OF

AMPEX CORPORATION

(Pursuant to Section 151 of the
Delaware General Corporation Law)

Ampex Corporation, a corporation organized and existing under the laws of the State of Delaware (the "Corporation"), hereby certifies that, pursuant to authority vested in the Board of Directors of the Corporation (the "Board") by Article IV of the Amended and Restated Certificate of Incorporation of the Corporation (the "Certificate of Incorporation"), the following resolution was adopted as of October 3, 2008 by the Board pursuant to Section 141 of the Delaware General Corporation Law:

RESOLVED that, pursuant to the authority vested in the Board by Article IV of the Certificate of Incorporation, of the total authorized number of 5,000 shares of Preferred Stock, par value $1.00 per share, of the Corporation (the "Preferred Stock"), there shall be designated a series of 5,000 shares that shall be issued in and constitute a single series to be known as "Series A Redeemable Preferred Stock" (hereinafter, the "Series A Preferred Stock"). The shares of Series A Preferred Stock shall have the voting powers, designations, preferences and other special rights, and qualifications, limitations and restrictions thereof set forth below:

1. Rank. The Series A Preferred Stock shall rank (a) senior to (i) the Common Stock, par value $.01 per share, of the Corporation and any other class or series of capital stock into which such Common Stock is reclassified or reconstituted and, together with any other class of securities which is entitled to share in the available assets of the Corporation after payment of any debts and liabilities, but which is not otherwise entitled to a preference over other capital stock in such available assets (the "Common Stock"), (ii) any other class or series of capital stock of the Corporation either specifically ranking by its terms junior to the Series A Preferred Stock or not specifically ranking by its terms senior to or on parity with the Series A Preferred Stock ("Junior Stock"), (b) on parity with any class or series of capital stock of the Corporation specifically ranking by its terms on parity with the Series A Preferred Stock and (c) junior to any class or series of capital stock of the Corporation specifically ranking by its terms senior to the Series A Preferred Stock, in each case, as to payment of dividends, voting, distributions of assets upon a Liquidation or otherwise.

2. Dividend Rights.

(a) The holders of shares of the Series A Preferred Stock (the "Series A Preferred Holders") shall be entitled to receive, out of any assets legally available therefor, cumulative dividends at the rate of sixteen percent (16%) per annum on the Original Issuance Price of each share of Series A Preferred Stock, accruing from day to day (whether or not declared) from the date of issuance of each such share of Series A Preferred Stock. The cumulative dividends on the Series A Preferred Stock shall be paid prior and in preference to any declaration or payment of any dividend on the Common Stock. The Corporation shall, upon the written request of any Series A Preferred Holder, furnish or cause to be furnished to such holder a certificate setting forth the accrued dividends with respect to that holder' s Preferred Stock and the basis for calculating the accrued dividends. No Distribution shall be made with respect to the Common Stock until all declared or accrued but unpaid dividends on the Series A Preferred Stock have been paid or set aside for payment to the Series A Preferred Holders.

(b) The Corporation shall not declare, set aside or pay any dividends on any share of Common Stock unless a dividend is declared and set aside or paid with respect to all outstanding shares of Series A Preferred Stock in an amount for each such share of Series A Preferred Stock at least equal to the amount of the cumulative dividends then accrued on such share of Series A Preferred Stock; provided, that no dividends may be declared, set aside or paid on any share of Common Stock pursuant to this Section 2(b) so long as the Corporation shall have sent a Redemption Notice with respect to outstanding shares of the Series A Preferred Stock and shall not have paid the full price required to be paid to the holders of such outstanding shares of the Series A Preferred Stock under Section 4.

(c) *Non-Cash Distributions*. Whenever a Distribution provided for in this Section 2 shall be payable in property other than cash or securities, the value of such Distribution shall be deemed to be the fair market value of such property as determined in good faith by the Board of Directors. Any Distributions payable in securities shall be valued in accordance with Section 3(d) below.

3. Liquidation Rights.

(a) Upon any Liquidation, the Series A Preferred Holders shall be entitled to receive, prior and in preference to any distribution of any of the assets of the Corporation to the holders of Common Stock, an amount per share of Series A Preferred Stock equal to the Applicable Liquidation Amount. If upon any Liquidation, the assets of the Corporation available for distribution to the holders of the Series A Preferred Stock are insufficient to pay the Series A Preferred Holders the full Applicable Liquidation Amount pursuant to this Section 3(a), the Series A Preferred Holders shall share ratably in any distribution of assets of the Corporation in proportion to the aggregate Applicable Liquidation Amount to which each is entitled.

(b) Upon a Liquidation, following payment in full to the Series A Preferred Stock Holders of the Applicable Liquidation Amount set forth in Section 3(a), the entire remaining assets of the Corporation legally available for distribution to holders of Common Stock shall be distributed pro rata to holders of the Common Stock of the Corporation in proportion to the number of shares of Common Stock held by them.

(c) The Corporation shall give each Series A Preferred Holder written notice (a "Proposal Notice") of any impending or proposed voluntary or, to the extent possible, involuntary, Liquidation not later than thirty (30) days prior to the stockholders' meeting called to approve such impending or proposed Liquidation, if applicable, or thirty (30) days prior to the closing or occurrence of such impending or proposed voluntary or, to the extent possible, involuntary Liquidation, whichever is earlier. Such Proposal Notice shall describe the material terms and conditions of the impending or proposed Liquidation and the provisions of this Section 3 as they apply to the allocation of proceeds to stockholders from such impending or proposed Liquidation. Upon any material changes to the terms of such impending or proposed Liquidation after the date the Corporation has given a related Proposal Notice, the Corporation shall give each Series A Preferred Holder prompt written notice of such material change(s) (a "Supplemental Notice"). The impending or proposed voluntary or, to the extent possible, involuntary Liquidation shall in no event be consummated sooner than thirty (30) days after the Corporation has given a related Proposal Notice or sooner than ten (10) days after the Corporation has given such Supplemental Notice. Any Proposal Notice or Supplemental Notice required by this Section 3 shall be deemed given when deposited in the United States mail, postage prepaid, and addressed to each holder of record of shares of Series A Preferred Stock at such holder' s address appearing on the books of the Corporation. The rights conferred upon the Series A Preferred Holders under this Section 3 are supplemental to and not in replacement of the provisions of Section 5.

(d) If the consideration received by the Corporation in a Liquidation is other than cash or securities, its value will be deemed its fair market value as reasonably determined in good faith by the Board of Directors. Any securities shall be valued as follows:

(i) Securities not subject to investment letter or other similar restrictions on free marketability covered by clause (ii) below:

(A) if traded on a securities exchange or on Nasdaq, the value shall be deemed to be the average of the closing prices of the securities on such exchange over the thirty (30) day period ending three (3) days prior to the effective date of the Liquidation;

(B) if actively traded over-the-counter, the value shall be deemed to be the average of the closing bid or sale prices (whichever is applicable) over the thirty (30) day period ending three (3) days prior to the effective date of the Liquidation; and

(C) if there is no active public market, the value shall be the fair market value thereof, as reasonably determined in good faith by the Board of Directors.

(ii) The method of valuation of securities subject to investment letter or other restrictions on free marketability (other than restrictions arising solely by virtue of a stockholder' s status as an affiliate or former affiliate) shall be to make an appropriate discount from the market value determined as above in clauses (i) (A), (B) or (C) to reflect the approximate fair market value thereof, as reasonably determined in good faith by the Board of Directors.

In the event the requirements of this Section 3 are not complied with, the Corporation shall, to the extent within its control, forthwith either (i) cause the effective date of the Liquidation to be postponed until such time as the requirements of this Section 3 shall have been complied with or (ii) cancel such Liquidation, in which event, the rights, preferences and privileges of the Series A Preferred Holders shall in all respects be preserved.

4. Redemption.

(a) *Optional Redemption*. At any time following the issuance thereof, the Corporation shall have the right at its option to redeem all or less than all of the outstanding shares of Series A Preferred Stock, subject to the provisions of this Article 4, at a per share redemption price (the "Redemption Price") equal to the Applicable Liquidation Amount. Notwithstanding anything contained in this Section 4.(a), the Corporation shall not have the right to redeem any portion of the outstanding shares of Series A Preferred Stock unless the Corporation has repaid in full all amounts outstanding under the Senior Note Indenture (as defined in the Credit Agreement), pursuant to Section 2.07(b) of the Credit Agreement.

(b) *Mandatory Redemption*. In the event that either (i) the Corporation prepays any Loan pursuant to Section 2.07(b) of the Credit Agreement and there remain Net Available Proceeds or Excess Cash Flow (each such term as defined in the Credit Agreement), as applicable, that has not been applied towards such prepayment or (ii) one or more of the events set forth in Section 2.07(b) of the Credit Agreement occurs and at the time of such occurrence none of the Loans remain outstanding, then the Corporation shall be required to, in the case of clause (i) above, apply all remaining Net Available Proceeds or Excess Cash Flow, as applicable, towards the redemption of the outstanding Series A Preferred Stock, at a Redemption Price equal to the Applicable Liquidation Amount and, in the case of clause (ii) above, apply all of the Net Available Proceeds or Excess Cash Flow, as applicable, towards the redemption of the Series A Preferred Stock, at a Redemption Price equal to the Applicable Liquidation Amount. Each redemption effected pursuant to this Section 4(b) shall be effected by the Corporation on the next Business Day following (x) the prepayment of any Loan pursuant to Section 2.07(b) of the Credit Agreement, in the case of clause (i) above and (y) the occurrence of any of the events set forth in Section 2.07(b) of the Credit Agreement, in the case of clause (ii) above. For the avoidance of doubt, under no circumstances shall any Available Proceeds or Excess Cash Flow be applied towards the redemption of any outstanding Series A Preferred Stock unless the Corporation has repaid in full all amounts outstanding under the Senior Note Indenture, pursuant to Section 2.07(b) of the Credit Agreement.

(c) Any redemption to be effected pursuant to this Section 4 shall be made on a pro rata basis among the Series A Preferred Holders in proportion to the shares of Series A Preferred Stock then held by them.

(d) The Corporation shall notify in writing each Series A Preferred Holder of any redemption to be effected under Subsection (a) or (b) of this Section 4 not later than 11:00 a.m., New York City time, two Business Days before the date of redemption. Each such notice shall be irrevocable and shall specify the number of shares to be redeemed from such holder, the aggregate Redemption Price for such shares, the date of such redemption, a reasonably detailed calculation of the amount of such Redemption Price and shall call upon such holder to surrender to the Corporation, in the manner set forth therein, the holder' s certificate or certificates representing the shares to be redeemed (the "Redemption Notice"). Within two (2) Business Days following the receipt of a Redemption Notice, each holder of Series A Preferred Stock to be redeemed shall surrender to the Corporation the certificate or certificates representing such shares, in the manner set forth in the Redemption Notice, and thereupon the aggregate Redemption Price for such shares shall be payable to the order of the person whose name appears on such shares certificate or certificates as the owner thereof and each surrendered certificate shall be cancelled. In the event that less than all the shares represented by any such certificate are redeemed, a new certificate shall be issued representing the unredeemed shares.

(e) In connection with any optional or mandatory redemption made pursuant to this Section 4, the Corporation shall pay the Redemption Price of the shares redeemed in cash; provided, however, that following the effective date of a QPO (defined below), the Corporation, at its option, shall have the right to pay the Redemption Price of the shares redeemed either (x) in cash, or (y) in shares of Common Stock, or (z) in any combination of the foregoing. For purposes of determining the number of shares of Common Stock the value of which equals the Redemption Price, the Common Stock shall be deemed to have a value equal to the fair market value (determined in accordance with Section 3(d) hereof) of the Common Stock on the date of the notice required by Section 4(d) above; provided, however, that, as a condition to the issuance of any shares of Common Stock in connection with any optional or mandatory redemption of Series A Preferred Stock, the Corporation shall have complied with all laws, rules and regulations of any governmental or regulatory authority applicable to the issuance of such shares.

5. Voting Rights.

(a) *No Series Voting*. Other than as provided herein or required by law, or under the Certificate of Incorporation or ByLaws of the Corporation, there shall be no series voting. With respect to any right to vote, each Series A Preferred Holder (including without limitation each Series A Majority Holder) shall have one vote for each share of Series A Preferred Stock held by such holder.

(b) *Board of Directors Designees*.

(i) The Series A Preferred Holders, voting as a separate class, shall have the right to elect a majority of the directors of the Board (each, a "Series A Director" and, collectively, the "Series A Directors") at each meeting of stockholders (or pursuant to action by written consent) held (or taken) for the purpose of electing directors; and the Series A Directors shall be removed and replaced, with or without cause, and their vacancies filled, only by the affirmative vote of the Series A Majority Holders. Subject to the terms of the Certificate of Incorporation and the Corporation' s

ByLaws, the holders of Common Stock, and each other class of capital stock (other than the Series A Preferred Stock) entitled to vote in the election of directors, voting as a separate class, shall be entitled to elect the remaining directors of the Board at each meeting of stockholders (or pursuant to action by written consent) held (or taken) for the purpose of electing directors.

(ii) In the event any vacancy existing with respect to the Series A Directors is not filled within 45 days from the occurrence of the vacancy, then such vacancy shall be filled by the remaining Series A Directors within 30 days and, to the extent a Series A Director is not then a member of the Board, by a majority vote of the remaining members of the Board.

(c) *Separate Class Voting Rights*. In addition to any other vote or consent required herein or by law, the affirmative vote or written consent of the Series A Majority Holders shall be necessary for effecting or validating the following actions:

(i) increasing or decreasing the number of authorized shares of Common Stock or Preferred Stock, increasing the number of shares reserved under the Corporation' s equity incentive plans and other stock option agreements approved by the Board, including the Management Equity Rights Plan (unless such shares so reserved are junior in all respects to the Series A Preferred Stock) or creating any new stock or option plan;

(ii) creating or issuing or obligating itself to issue any new class or series of stock, or any other equity securities, or any other securities convertible, exercisable or exchangeable into equity securities of the Corporation (including by way of reclassification, merger or otherwise of any existing securities), in each case having preferences or privileges senior to, or on parity with, the Series A Preferred Stock, or having voting rights other than those granted to the Common Stock generally;

(iii) declaring or paying any dividends or making any other Distributions on or with respect to the Common Stock;

(iv) consummating a voluntary Liquidation or any consolidation or merger of the Corporation with or into any other Person, or any other corporate reorganization, in which the stockholders of the Corporation immediately prior to such consolidation, merger or reorganization own less than 50% of the voting power of the surviving or acquiring entity immediately after such consolidation, merger or reorganization;

(v) taking any action that would modify, amend, alter or repeal any provision of, or add any provision to, the Corporation' s Certificate of Incorporation or the Corporation' s bylaws (including pursuant to a merger) if such action would alter or change the preferences, rights, privileges or powers of, or the restrictions provided for the benefit of, any series of Preferred Stock;

(vi) redeeming or repurchasing any shares of its capital stock other than (A) mandatory redemptions of shares of Series A Preferred Stock or (B) the repurchase of capital stock, at cost, from a member of the Corporation' s management pursuant to a duly adopted employment, management, restricted stock or stock repurchase agreement;

(vii) except as otherwise contemplated by this Agreement or permitted under the Management Equity Rights Plan, entering into any material transaction, contract or agreement with any stockholder, director or executive officer of the Corporation (other than in their respective capacities as stockholders, directors and executive officers) or any Affiliate of a stockholder, director or executive officer of the Corporation, if such transaction, contract or agreement has not been approved in advance by a majority of the Board;

(viii) selling, transferring, encumbering or granting a security interest in any technology or intellectual property of the Corporation or its subsidiaries, other than the granting of licenses or other similar rights in the ordinary course or as approved by a majority of the Board;

(ix) selling, transferring, encumbering or granting a security interest in any of the other assets of the Corporation not covered in clause (viii) of this Section 5(c) in connection with any indebtedness of the Corporation other than in the ordinary course or as approved by a majority of the Board;

(x) acquiring a material amount of assets through a merger or purchase of all or substantially all of the assets or capital stock of another entity other than in the ordinary course or as approved by a majority of the Board;

(xi) adopting, entering into or becoming bound by any bonus, incentive compensation, deferred compensation, pension, profit sharing, retirement, stock purchase, stock option, stock ownership, or other employee benefit plan or arrangement of any kind, whether written or oral, or any employment related contract, including any employee stock arrangements (other than as approved by a majority of the Board or pursuant to the Management Equity Rights Plan);

(xii) increasing by more than 5% in any twelve (12) month period the salary, wages, severance arrangements or other compensation of any officer, employee or consultant of the Corporation or any of its subsidiaries whose annual salary is or, after giving effect to such change, would be $150,000 or more, unless otherwise approved by a majority of the Board;

(xiii) except pursuant to the Management Equity Rights Plan or as otherwise approved by a majority of the Board, establishing or modifying any (A) targets, goals, pools or similar provisions in respect of any fiscal year under any of the foregoing or any other employee compensation arrangement in an amount in excess of Five Thousand Dollars ($5,000) or (B) salary ranges, increase guidelines or similar provisions in respect of any of the foregoing or any other employee compensation arrangement in an amount in excess of Five Thousand Dollars ($5,000).

(xiv) increasing or decreasing the number of directors authorized to serve on the Board;

(xv) amending any provision of the Management Equity Rights Plan (other than amendments required by law or which are ministerial in nature and do not adversely affect the rights of the Series A Preferred Holders); or

(xvi) amending this Section 5.

(d) The provisions of this Section 5 shall not apply if, at the time the affirmative vote of the Series A Majority Holders would otherwise be required, there are no shares of Series A Preferred Stock outstanding and all accrued dividends thereon have been paid.

6. No Waiver. Except as otherwise modified or provided for herein, the holders of Series A Preferred Stock shall also be entitled to, and shall not be deemed to have waived, any other applicable rights granted to such holders under the Delaware General Corporation Law.

7. No Impairment. The Corporation will not by amendment of its Certificate of Incorporation or this Certificate of Designations, through any reorganization, transfer of assets, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Corporation but will at all time in good faith assist in the carrying out of all the provisions of this Certificate of Designations.

8. Definitions.

(a) "Affiliate" means, (1) with respect to any Person, any of (a) a director, officer or 5% Owner of such Person, (b) a Family Member of such Person (or a Family Member of any director, officer or 5% Owner of such Person) and (c) any other Person that, directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, another Person or (2) in any event, any Person meeting the definition of "Affiliate" set forth in Rule 405 under the Securities Act. The term "control" includes, without limitation, the possession, directly or indirectly, of the power to direct the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

(b) "Applicable Liquidation Amount" means, as to each share of the Series A Preferred Stock, the Original Issuance Price (as adjusted for stock splits, dividends, combinations or other similar events with respect to such share), plus all accrued (whether or not declared) but unpaid dividends with respect to such share of the Preferred Stock.

(c) "Board" or "Board of Directors" means the Board of Directors of the Corporation.

(d) "Business Day" means any day that is not a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to remain closed.

(e) "Credit Agreement" means the Credit Agreement, dated as of the October 3, 2008, between the Company, the Subsidiary Guarantors party thereto and Hillside Capital Incorporated.

(f) "Distribution" means the transfer of cash or other property to all holders of any class of the Corporation' s Common Stock without consideration whether by way of dividend or otherwise (other than dividends on Common Stock payable in Common Stock) or any purchase or redemption of shares of Common Stock of the Corporation by the Corporation or its subsidiaries for cash or property other than: (i) redemptions of the Series A Preferred Stock pursuant to Section 4; (ii) any other repurchase or redemption of Common Stock or Junior Stock of the Corporation approved by the Series A Majority Holders; and (iii) repurchases or redemptions pursuant to any duly adopted employment, management, restricted stock or stock purchase agreement (including without limitation the Management Equity Rights Plan).

(g) "Family Member" of any Person means any spouse, parent stepparent, sibling, child, stepchild, ancestor or descendant of such Person and any other person (other than a tenant or employee) sharing such Person' s household.

(h) "Liquidation" means any single transaction or series of related transactions involving any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation, which shall be deemed to be occasioned by, or to include, (1) the acquisition of the Corporation by another entity by means of any transaction or series of related transactions to which the Corporation is party (including, without limitation, any stock acquisition, reorganization, merger or consolidation but excluding any sale of stock for capital raising purposes) other than a transaction or series of transactions in which the holders of the voting securities of the Corporation outstanding immediately prior to such transaction retain, immediately after such transaction or series of transactions, as a result of shares in the Corporation held by such holders prior to such transaction, at least a majority of the total voting power represented by the outstanding voting securities of the Corporation or such other surviving or resulting entity (or if the Corporation or such other surviving or resulting entity is a wholly-owned subsidiary immediately following such acquisition, its parent); (2) a sale, lease or other disposition of all or substantially all of the assets of the Corporation and its subsidiaries taken as a whole by means of any transaction or series of transactions, except where such sale, lease or other disposition is to a wholly-owned subsidiary of the Corporation; or (3) any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary. The treatment of any transaction or series of related transactions as a liquidation, dissolution or winding up pursuant to clause (1) or (2) of the preceding sentence may be waived by the consent or vote of the Series A Majority Holders.

(i) "Loans" shall have the meaning set forth in the Credit Agreement.

(j) "Management Equity Rights Plan" means the stock option plan or other similar program to be established by the Board pursuant to the Plan by which the Corporation will grant options or other rights to members of the Corporation' s management to purchase Common Stock in an aggregate amount not to exceed 10% of the shares outstanding as of October 3, 2008, which stock option plan or other similar program may be amended from time to time subsequent to the date hereof in accordance with the requirements thereof and in this Certificate of Designations.

(k) "Original Issuance Price" means $10,000 per share (as adjusted for stock splits, stock dividends, combinations and other similar events).

(l) "Plan" means the plan of reorganization of the Corporation approved by order of the United States Bankruptcy Court for the Southern District of New York in *In re: Ampex Corporation, et al.*, under Chapter 11 of the United States Bankruptcy Code (11 U.S.C. § 101- 1330, as amended).

(m) "QPO" means the first underwritten public offering pursuant to an effective registration statement covering a sale of Common Stock to the public, that (A) is led by a nationally recognized investment bank, and (B) results in the Common Stock being listed on a national securities exchange or quoted on NASDAQ.

(n) "Series A Majority Holders" means as of any date the holders of at least a majority of the shares of Series A Preferred Stock then outstanding (as adjusted for stock splits, stock dividends, combinations and other similar events).

(o) "Stockholders' Agreement" means the Stockholders' Agreement, dated as of the October 3, 2008, among the Corporation and certain stockholders of the Corporation, as the same may be further amended, modified or supplemented from time to time.

[Remainder of Page Intentionally Left Blank**]**

IN WITNESS WHEREOF, this Certificate of Designations has been executed on behalf of the Corporation by a duly authorized officer of the Corporation on this 3rd day of October, 2008.

AMPEX CORPORATION

By: /s/ Joel D. Talcott

Name: Joel D. Talcott

Title: Vice President & Secretary

EXHIBIT 3.3

AMENDED & RESTATED BYLAWS

OF

AMPEX CORPORATION

TABLE OF CONTENTS

Page

ARTICLE I

Office and Records

ARTICLE I OFFICE AND RECORDS 4

Section 1.1 Delaware Office 4

Section 1.2 Other Offices 4

Section 1.3 Books and Records 4

ARTICLE II STOCKHOLDERS 4

Section 2.1 Annual Meeting 4

Section 2.2 Special Meetings 4

Section 2.3 Notice of Meetings 5

Section 2.4 Quorum 5

Section 2.5 Voting 5

Section 2.6 Proxies 6

Section 2.7 List of Stockholders 6

Section 2.8 Written Consent of Stockholders in Lieu of Meeting 6

ARTICLE III BOARD OF DIRECTORS 7

Section 3.1 Number of Directors 7

Section 3.2 Election and Term of Directors 7

Section 3.3 Vacancies and Newly Created Directorships 7

Section 3.4 Resignation 7

Section 3.5 Removal 7

Section 3.6 Meetings 7

Section 3.7 Quorum and Voting 8

Section 3.8 Written Consent of Directors in Lieu of a Meeting 8

Section 3.9 Compensation 8

Section 3.10 Committees of the Board of Directors 8

ARTICLE IV OFFICERS, AGENTS AND EMPLOYEES 9

Section 4.1 Appointment and Term of Office 9

Section 4.2 Resignation and Removal 10

Section 4.3 Compensation and Bond 10

Section 4.4 Chairman of the Board 10

Section 4.5 President 10

Section 4.6 Vice Presidents 10

Section 4.7 Treasurer 10

Section 4.8 Secretary 11

Section 4.9 Assistant Treasurers 11

Section 4.10 Assistant Secretaries 11

Section 4.11 Delegation of Duties 11

ARTICLE V INDEMNIFICATION AND INSURANCE 11

Section 5.1 Right to Indemnification 11

Section 5.2 Right to Advancement of Expenses 12

Section 5.3 Right of Indemnitee to Bring Suit 12

Section 5.4 Non-Exclusivity of Rights 13

Section 5.5 Insurance 13

Section 5.6 Indemnification of Employees and Agents of the Corporation 13

Section 5.7 Contract Rights 13

Section 5.8 Effectiveness 13

ARTICLE VI COMMON STOCK 13

Section 6.1 Certificates 13

Section 6.2 Transfers of Stock 14

Section 6.3 Lost, Stolen or Destroyed Certificates 14

Section 6.4 Stockholder Record Date 14

ARTICLE VII SEAL 15

Section 7.1 Seal 15

ARTICLE VIII WAIVER OF NOTICE 16

Section 8.1 Waiver of Notice 16

ARTICLE IX CHECKS, NOTES, DRAFTS, ETC. 16

Section 9.1 Checks, Notes, Drafts, Etc. 16

ARTICLE X AMENDMENTS 16

Section 10.1 Amendments 16

BYLAWS

OF

AMPEX CORPORATION

ARTICLE I

Office and Records

Section 1.1 Delaware Office. The registered office of Ampex Corporation (the "Corporation") in the State of Delaware shall be located in the City of Wilmington, County of New Castle, and the name and address of its registered agent is Corporation Service Company, 2711 Centerville Road, Suite 400, Wilmington, Delaware 19808.

Section 1.2 Other Offices. The Corporation may have such other offices, either within or without the State of Delaware, as the Board of Directors may designate or as the business of the Corporation may from time to time require.

Section 1.3 Books and Records. The books and records of the Corporation may be kept at the Corporation' s principal executive offices in Redwood City, California or at such other locations outside the State of Delaware as may from time to time be designated by the Board of Directors.

ARTICLE II

Stockholders

Section 2.1 Annual Meeting. Except as otherwise provided in Section 2.8 of these Bylaws, an annual meeting of stockholders of the Corporation shall be held at such place, date and time as shall be fixed by the Board of Directors and stated in the notice or waiver of notice of such annual meeting; provided, however, that no annual meeting of stockholders for the election of directors need be held if directors are elected by written consent of the stockholders in lieu of an annual meeting, as permitted by section 211 of the General Corporation Law of the State of Delaware (the "General Corporation Law") and the Amended and Restated Certificate of Incorporation of the Corporation (the "Certificate of Incorporation").

Section 2.2 Special Meetings. A special meeting of the holders of stock of the Corporation entitled to vote on any business to be considered at any such meeting may be called only by the Chairman of the Board, if any, or the President, and shall be called by the Chairman of the Board, if any, or the President or the Secretary, when directed to do so by resolution of the Board of Directors or at the written request of directors representing a majority of the total number of directors which the Corporation would at the time have if there were no vacancies (such total number, the "Whole Board"). Any such request shall state the purpose or purposes of the proposed meeting. The Board of Directors may designate the place of meeting for any special meeting of stockholders, and if no such designation is made, the place of meeting shall be the principal executive offices of the Corporation.

Section 2.3 Notice of Meetings. (a) Whenever stockholders are required or permitted to take any action at a meeting, unless notice is waived as provided in Section 8.1 of these Bylaws, a written notice of the meeting shall be given which shall state the place, date and hour of the meeting, and, in the case of a special meeting, the purpose or purposes for which the meeting is called.

(b) Unless otherwise provided by law, and except as to any stockholder duly waiving notice, the written notice of any meeting shall be given personally or by mail, not less than ten (10) nor more than sixty (60) days before the date of the meeting to each stockholder entitled to vote at such meeting. If mailed, notice shall be deemed given when deposited in the mail, postage prepaid, directed to the stockholder at his or her address as it appears on the records of the Corporation.

(c) When a meeting is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. At the adjourned meeting the Corporation may transact any business which might have been transacted at the original meeting. If, however, the adjournment is for more than thirty (30) days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

Section 2.4 Quorum. Except as otherwise provided by law or by the Certificate of Incorporation or by these Bylaws, at any meeting of stockholders, whether annual or special, the holders of a majority of the outstanding stock entitled to vote thereat, either present or represented by proxy, shall constitute a quorum for the transaction of any business, but the stockholders present, although less than a quorum, may adjourn the meeting to another time or place and, except as provided in the last paragraph of Section 2.3 of these Bylaws, notice need not be given of the adjourned meeting.

Section 2.5 Voting. Except as otherwise set forth in the Certificate of Incorporation with respect to the rights of any holder of any series of any preferred stock, par value $1.00 per share, of the Corporation (the "Preferred Stock"), or any other series or class of stock to elect additional directors under specified circumstances, whenever directors are to be elected at a meeting, they shall be elected by a plurality of the votes cast at the meeting by the holders of stock entitled to vote. Whenever any corporate action, other than the election of directors, is to be taken by vote of stockholders at a meeting, such corporate action shall, except as otherwise required by law or by the Certificate of Incorporation or by these Bylaws, be authorized by the affirmative vote of the holders of a majority of the shares of stock present or represented by proxy and entitled to vote with respect to such corporate action.

Except as otherwise provided by law, or by the Certificate of Incorporation, each holder of record of stock of the Corporation entitled to vote on any matter at any meeting of stockholders shall be entitled to one vote for each share of such stock standing in the name of such holder on the stock ledger of the Corporation on the record date for the determination of the stockholders entitled to vote at the meeting.

Upon the demand of any stockholder entitled to vote, the vote for directors or the vote on any other matter at a meeting shall be by written ballot, but otherwise the method of voting and the manner in which votes are counted shall be discretionary with the presiding officer at the meeting.

Section 2.6 Proxies. Each stockholder entitled to vote at a meeting of stockholders or to express consent or dissent to corporate action in writing without a meeting may authorize another person or persons to act for such stockholder by proxy, but no such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period. Every proxy shall be signed by the stockholder or by his duly authorized attorney.

Section 2.7 List of Stockholders. The officer who has charge of the stock ledger of the Corporation shall prepare and make, at least ten (10) days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten (10) days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or, if not so specified, at the principal offices of the Corporation. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder of the Corporation who is present.

The stock ledger shall be the only evidence as to who are the stockholders entitled to examine the stock ledger, the list required by this Section or the books of the Corporation, or to vote in person or by proxy at any meeting of stockholders.

Section 2.8 Written Consent of Stockholders in Lieu of Meeting. Any action required by the General Corporation Law to be taken at any annual or special meeting of stockholders of the Corporation, or any action which may be taken at any annual or special meeting of the stockholders, may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted. Prompt written notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing. Any such written consent may be given by one or any number of substantially concurrent written instruments of substantially similar tenor signed by such stockholders, in person or by attorney or proxy duly appointed in writing, and filed with the Secretary or an Assistant Secretary of the Corporation. Any such written consent shall be effective as of the effective date thereof as specified therein, provided that such date is not more than sixty (60) days prior to the date such written consent is filed as aforesaid, or, if no such date is so specified, on the date such written consent is filed as aforesaid.

ARTICLE III

Board of Directors

Section 3.1 Number of Directors. The Board of Directors shall consist of three (3) directors until changed as provided in this Article. The number of directors may be changed at any time and from time to time by vote at a meeting or by written consent of the holders of stock entitled to vote on the election of directors, or by a resolution of the Board of Directors passed by a majority of the Board, except that no decrease shall shorten the term of any incumbent director unless such director is specifically removed pursuant to Section 3.5 of these Bylaws at the time of such decrease.

Section 3.2 Election and Term of Directors. Directors shall be elected annually, by election at the annual meeting of stockholders or by written consent of the holders of stock entitled to vote thereon in lieu of such meeting. If the annual election of directors is not held on the date designated therefor, the directors shall cause such election to be held as soon thereafter as convenient. Each director shall hold office from the time of his or her election and qualification until his successor is elected and qualified or until his or her earlier resignation, removal or death; provided, however, that the initial directors shall be appointed in accordance with the plan of reorganization of the Corporation ("Plan") and order of the United States Bankruptcy Court for the Southern District of New York confirming such Plan.

Section 3.3 Vacancies and Newly Created Directorships. Subject to the Certificate of Incorporation and the agreement dated as of October 3, 2008, between the Corporation and each of the stockholders party thereto and each person that hereafter becomes a stockholder and is required by such agreement to become a party thereto ("Stockholders' Agreement"), vacancies and newly created directorships resulting from any increase in the authorized number of directors may be filled by the Board of Directors, acting by a majority of the directors then in office (although less than a quorum) or by a sole remaining director.

Section 3.4 Resignation. Any director may resign at any time upon written notice to the Corporation. Any such resignation shall take effect at the time specified therein or, if the time be not specified, upon receipt thereof, and the acceptance of such resignation, unless required by the terms thereof, shall not be necessary to make such resignation effective.

Section 3.5 Removal. Subject to the rights of the Designated Holders or holders of any outstanding Preferred Stock, any director or the entire Board may be removed at any time, with or without cause, by vote at a meeting or by written consent of the holders of a majority of common stock entitled to vote on the election of directors.

Section 3.6 Meetings. Meetings of the Board of Directors, regular or special, may be held at any place within or without the State of Delaware. Members of the Board of Directors, or of any committee designated by the Board of Directors, may participate in a meeting of the Board of Directors or such committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting by such means shall constitute presence in person at such meeting. An annual meeting of the Board of Directors shall be held after each

annual election of directors. If such election occurs at an annual meeting of stockholders, the annual meeting of the Board of Directors shall be held at the same place and immediately following such meeting of stockholders, and no further notice thereof need be given other than this Bylaw. If an annual election of directors occurs by written consent in lieu of the annual meeting of stockholders, the annual meeting of the Board of Directors shall take place as soon after such written consent is duly filed with the Corporation as is practicable, either at the next regular meeting of the Board of Directors or at a special meeting. A special meeting of the Board of Directors shall be held whenever called by the Chairman of the Board, if any, or by the President of the Corporation or by at least one-third of the directors for the time being in office, at such time and place as shall be specified in the notice or waiver thereof. Notice of each special meeting shall be given by the Secretary or by the person or persons calling the meeting to each director by mailing the same, postage prepaid, not later than the second day before the meeting, or personally or by facsimile, telegraph, email or telephone not later than the day before the meeting, or on such shorter notice as the person or persons calling the meeting may deem necessary or appropriate under the circumstances.

Section 3.7 Quorum and Voting. Except as otherwise provided by law, the Certificate of Incorporation or these Bylaws, a whole number of directors equal to at least a majority of the Whole Board shall constitute a quorum for the transaction of business, but if there be less than a quorum at any meeting of the Board of Directors, a majority of the directors present may adjourn the meeting from time to time, and no further notice thereof need be given other than announcement at the meeting which shall be so adjourned. Except as otherwise provided by law, by the Certificate of Incorporation, or by these Bylaws, each director shall be entitled to one vote on all matters brought before the Board, and an affirmative vote of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

Section 3.8 Written Consent of Directors in Lieu of a Meeting. Any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting if all members of the Board of Directors or of such committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Board of Directors or such committee.

Section 3.9 Compensation. Directors may receive compensation for services to the Corporation in their capacities as directors in such manner and in such amounts as may be fixed from time to time by the President of the Corporation.

Section 3.10 Committees of the Board of Directors. The Board of Directors may from time to time, by resolution passed by majority of the Whole Board, designate one or more committees, each committee to consist of one or more directors of the Corporation. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. The resolution of the Board of Directors may, in addition or alternatively, provide that in the absence or disqualification of a member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he, she or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member. Any such committee, to the extent provided by

law and in the resolution of the Board of Directors, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers which may require it, except as otherwise provided by law. Unless the resolution of the Board of Directors expressly so provides, no such committee shall have the power or authority to declare a dividend or to authorize the issuance of stock. Any such committee may adopt rules governing the method of calling and time and place of holding its meetings. Unless otherwise provided by law or the Board of Directors, a majority of any such committee (or the member thereof, if only one) shall constitute a quorum for the transaction of business, and the vote of a majority of the members of such committee present at a meeting at which a quorum is present shall be the act of such committee. Each such committee shall keep a record of its acts and proceedings and shall report thereon to the Board of Directors whenever requested so to do. Any or all members of any such committee may be removed, with or without cause, by resolution of the Board of Directors, passed by a majority of the whole Board.

Section 3.11 Preferred Directors. Notwithstanding anything else contained herein, whenever the holders of one or more classes or series of Preferred Stock shall have the right, voting separately as a class or series, to elect directors, the election, term of office, filling of vacancies, removal and other features of such directorships shall be governed by the Certificate of Incorporation, any amendment thereto or any resolution or resolutions of the Board of Directors relating to the designations, preferences and other rights of such class or series of Preferred Stock, and such directors so elected shall not be subject to the provisions of Section 3.3 and 3.5 of this Article III unless otherwise provided therein.

ARTICLE IV

Officers, Agents And Employees

Section 4.1 Appointment and Term of Office. The officers of the Corporation shall include a President, a Secretary and a Treasurer, and may also include, without limitation, a Chairman of the Board (who must be a director), a Chief Executive Officer ("CEO"), one or more Vice Presidents, a Chief Financial Officer, one or more Assistant Secretaries, and one or more Assistant Treasurers and other officers. All such officers shall be appointed by the Board of Directors or by a duly authorized committee thereof, and shall each have such powers and duties as generally pertain to their respective offices, subject to the specific provisions of this Article IV, together with such other powers and duties as from time to time may be conferred by the Board of Directors or any committee thereof. Any number of such offices may be held by the same person, but no officer shall execute, acknowledge or verify any instrument in more than one capacity. Except as may be prescribed otherwise by the Board of Directors or a duly authorized committee thereof in a particular case, all such officers shall hold their offices at the pleasure of the Board of Directors for an unlimited term and need not be reappointed annually or at any other periodic interval. The Board of Directors may appoint, and may delegate power to appoint, such other officers, agents and employees as it may deem necessary or proper, who shall hold their offices or positions for such terms, have such authority and perform such duties as may from time to time be determined by or pursuant to authorization of the Board of Directors.

Section 4.2 Resignation and Removal. Any officer may resign at any time upon written notice to the Corporation. Any officer, agent or employee of the Corporation may be removed by the Board of Directors, or by a duly authorized committee thereof, with or without cause at any time. The Board of Directors or such a committee thereof may delegate such power of removal as to officers, agents and employees not appointed by the Board of Directors or such a committee. Any removal shall be without prejudice to a person' s contract rights, if any, but the appointment of any person as an officer, agent or employee of the Corporation shall not of itself create contract rights.

Section 4.3 Compensation and Bond. The compensation of the officers of the Corporation shall be fixed by the Board of Directors, or by a duly authorized committee thereof, but this power may be delegated to any officer in respect of other officers under his or her control; provided, however that the Board may empower the CEO to determine the compensation of designated officers.

Section 4.4 Chairman of the Board. The Chairman of the Board, if there be one, shall preside at all meetings of stockholders and of the Board of Directors, and shall have such other powers and duties as may be delegated to him or her by the Board of Directors. Unless the Board otherwise specifies, the Chairman of the Board, or if there is none, the CEO, shall preside, or designate the person who shall preside, at all meetings of the stockholders and of the Board.

Section 4.5 President. The President shall be the CEO of the Corporation. In the absence of the Chairman of the Board (or if there be none), he or she shall preside at all meetings of the stockholders and of the Board of Directors. He or she shall have general charge of the business affairs of the Corporation. He or she may employ and discharge employees and agents of the Corporation, except such as shall be appointed by the Board of Directors, and he or she may delegate these powers. The President may vote the stock or other securities of any other domestic or foreign corporation of any type or kind which may at any time be owned by the Corporation, may execute any stockholders' or other consents in respect thereof and may in his or her discretion delegate such powers by executing proxies, or otherwise, on behalf of the Corporation. The Board of Directors by resolution from time to time may confer like powers upon any other person or persons.

Section 4.6 Vice Presidents. Each Vice President shall have such powers and perform such duties as the Board of Directors or the President may from time to time prescribe. In the absence or inability to act of the President, unless the Board of Directors shall otherwise provide, the CEO shall designate the Vice President who shall perform all the duties and may exercise any of the powers of the President.

Section 4.7 Treasurer. Unless the Board otherwise specifies, the Treasurer shall be the Chief Financial Officer of the Corporation and shall have charge of all funds and securities of the Corporation, shall endorse the same for deposit or collection when necessary and deposit the same to the credit of the Corporation in such banks or depositaries as the Board of Directors may authorize. He or she may endorse all commercial documents requiring endorsements for or on behalf of the Corporation and may sign all receipts and vouchers for payments made to the Corporation. He or she shall have all such further powers and duties as generally are incident to the position of Treasurer or as may be assigned to him or her by the President or the Board of Directors.

Section 4.8 Secretary. The Secretary shall record all the proceedings of the meetings of the stockholders and directors in a book to be kept for that purpose and shall also record therein all action taken by written consent of the stockholders or directors in lieu of a meeting. The Secretary shall also perform like duties for committees of the Board of Directors when required. He or she shall attend to the giving and serving of all notices of the Corporation. He or she shall have custody of the seal of the Corporation and shall attest the same by his or her signature whenever required. He or she shall have charge of the stock ledger and such other books and papers as the Board of Directors may direct, but he or she may delegate responsibility for maintaining the stock ledger to any transfer agent appointed by the Board of Directors. He or she shall have all such further powers and duties as generally are incident to the position of Secretary or as may be assigned to him or her by the President or the Board of Directors.

Section 4.9 Assistant Treasurers. In the absence or inability to act of the Treasurer, any Assistant Treasurer may perform all the duties and exercise all the powers of the Treasurer. An Assistant Treasurer shall also perform such other duties as the Treasurer or the Board of Directors may assign to him or her.

Section 4.10 Assistant Secretaries. In the absence or inability to act of the Secretary, any Assistant Secretary may perform all the duties and exercise all the powers of the Secretary. An Assistant Secretary shall also perform such other duties as the Secretary or the Board of Directors may assign to him or her.

Section 4.11 Delegation of Duties. In case of the absence of any officer of the Corporation, or for any other reason that the Board of Directors may deem sufficient, the Board of Directors, or, unless otherwise provided by the Board of Directors, the CEO may confer for the time being the powers or duties, or any of them, of such officer upon any other officer or upon any director.

ARTICLE V

Indemnification And Insurance

Section 5.1 Right to Indemnification. Each person who was or is made a party or is threatened to be made a party to or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (hereinafter a "proceeding"), by reason of the fact that he or she or a person of whom he or she is the legal representative is or was a director, officer or employee of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee or agent of any other corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to any employee benefit plan (hereinafter an "indemnitee"), whether the basis of such proceeding is alleged action in an official capacity as a director, officer, employee or agent or in any other capacity while serving as a director, officer, employee or agent, shall be indemnified and held harmless by the Corporation to the fullest extent authorized by the General Corporation Law, as the same exists

or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than said law permitted the Corporation to provide prior to such amendment), against all expense, liability and loss (including, without limitation, attorneys' fees, judgments, fines, excise taxes or penalties under the Employee Retirement Income Security Act of 1974, as amended, and amounts paid or to be paid in settlement) reasonably incurred by such indemnitee in connection therewith; provided, however, that except as provided in Section 5.3 with respect to proceedings seeking to enforce rights to indemnification, the Corporation shall indemnify any such indemnitee seeking indemnification in connection with a proceeding (or part thereof) initiated by such indemnitee only if such proceeding (or part thereof) was authorized by the Board of Directors.

Section 5.2 Right to Advancement of Expenses. The right to indemnification conferred in Section 5.1 shall include the right to be paid by the Corporation the expenses (including without limitation reasonable attorneys' fees) incurred in defending any such proceeding in advance of its final disposition (hereinafter an "advancement of expenses"); provided, however, that, if the General Corporation Law requires, an advancement of expenses incurred by an indemnitee in his or her capacity as a director, officer or employee (and not in any other capacity in which service was or is rendered by such indemnitee, including, without limitation, service to an employee benefit plan) shall be made only upon delivery to the Corporation of an undertaking (hereinafter an "undertaking"), by or on behalf of such indemnitee, to repay all amounts so advanced if it shall ultimately be determined by final judicial decision from which there is no further right to appeal (hereinafter a "final adjudication") that such indemnitee is not entitled to be indemnified for such expenses under this Section 5.2 or otherwise.

Section 5.3 Right of Indemnitee to Bring Suit. If a claim under Section 5.1 or Section 5.2 is not paid in full by the Corporation within thirty (30) days after a written claim has been received by the Corporation, except in the case of a claim for an advancement of expenses, in which case the applicable period shall be twenty (20) days, the indemnitee may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim. If successful in whole or in part in any such suit, or in a suit brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the indemnitee shall be entitled to be paid also the expense (including without limitation reasonable attorneys' fees) of prosecuting or defending such suit. In (i) any suit brought by the indemnitee to enforce a right to indemnification hereunder (but not in a suit brought by the indemnitee to enforce a right of an advancement of expenses) it shall be a defense that, and (ii) in any suit brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the Corporation shall be entitled to recover such expenses upon a final adjudication that, the indemnitee has not met any applicable standard for indemnification set forth in the General Corporation Law. Neither the failure of the Corporation (including its Board of Directors, independent legal counsel or stockholders) to have made a determination prior to the commencement of such action that indemnification of the indemnitee is proper in the circumstances because the indemnitee has met the applicable standard of conduct set forth in the General Corporation Law, nor an actual determination by the Corporation (including its Board of Directors, independent legal counsel or stockholders) that the indemnitee has not met such applicable standard of conduct, shall create a presumption that the indemnitee has not met the applicable standard of conduct or, in the case of such a suit brought by the indemnitee, be a

defense to such suit. In any suit brought by the indemnitee to enforce a right to indemnification or to an advancement of expenses hereunder, or brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the burden of proving that the indemnitee is not entitled to be indemnified, or to such advancement of expenses, under this Article V or otherwise shall be on the Corporation.

Section 5.4 Non-Exclusivity of Rights. The right to indemnification and the advancement of expenses conferred in this Article V shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, provision of the Certificate of Incorporation, provision of these Bylaws, agreement, vote of stockholders or disinterested directors or otherwise.

Section 5.5 Insurance. The Corporation may maintain insurance, at its expense, to protect itself and any director, officer, employee or agent of the Corporation or another corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss, whether or not the Corporation would have the power to indemnify such person against such expense, liability or loss under the General Corporation Law.

Section 5.6 Indemnification of Agents of the Corporation. The Corporation may, to the extent authorized from time to time by the Board of Directors, grant rights to indemnification, and rights to the advancement of expenses, to any agent of the Corporation to the fullest extent of the provisions of this Article V with respect to the indemnification and advancement of expenses of directors, officers and employees of the Corporation.

Section 5.7 Contract Rights. The rights to indemnification and to the advancement of expenses conferred in Section 5.1 and Section 5.2 shall be contract rights and such rights shall continue as to an indemnitee who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the indemnitee' s heirs, executors and administrators.

Section 5.8 Effectiveness. Any repeal of this Article V shall be prospective only and no repeal or modification of this Article V shall adversely affect any right or protection that is based upon this Article V and pertains to an act or omission that occurred prior to the time of such repeal or modification. Notwithstanding anything to the contrary herein, this Article V shall not be deemed to provide any right or protection to any person with regard to any act or omission that occurred prior to the adoption of this Article V. This Section 5.8 shall not limit any rights that any person may have under Section 12.8 of the Plan.

ARTICLE VI

Common Stock

Section 6.1 Certificates. Shares of the Corporation' s stock shall be represented by certificates or shall be uncertificated, or any combination of both. The issuance of shares in uncertificated form shall not affect shares already represented by a certificate until the certificate is surrendered to the Corporation. Shares that are represented by certificates shall be in such form or forms as shall be approved from time to time by the Board of Directors and shall be

signed in the name of the Corporation: (i) by the Chairman of the Board, if any, or the President or a Vice President; and (ii) by the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary. Such certificates may be sealed with the seal of the Corporation or a facsimile thereof. The Board of Directors may make such additional rules and regulations as it may deem expedient concerning the issuance, registration and transfer of certificated or uncertificated shares of the Corporation' s capital stock. Where a certificate is countersigned by (i) a transfer agent other than the Corporation or its employee, or (ii) a registrar other than the Corporation or its employee, any other signature on the certificate may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if he or she were such officer, transfer agent or registrar at the date of issue.

Section 6.2 Transfers of Stock. The transfer of stock shall be subject to the restrictions set forth in the Certificate of Incorporation, the Stockholders' Agreement, these Bylaws and by law. Transfers of stock shall be made only upon the books of the Corporation by: (a) in the case of certificated shares, the person named in the certificate or by his attorney lawfully constituted in writing and upon the surrender of the certificate therefore, which shall be cancelled before a new certificate shall be issued; or (b) in the case of uncertificated shares, upon receipt of proper transfer instructions from the registered owner of such uncertificated shares. The Board of Directors shall have the power to make all such rules and regulations, not inconsistent with the Certificate of Incorporation and these Bylaws and the General Corporation Law, as the Board of Directors may deem appropriate concerning the issue, transfer and registration of certificates for stock of the Corporation. The Board of Directors may appoint one or more transfer agents or registrars of transfers, or both, and may require all stock certificates to bear the signature of either or both.

Section 6.3 Lost, Stolen or Destroyed Certificates. The Corporation may issue a new stock certificate in the place of any certificate theretofore issued by it, alleged to have been lost, stolen or destroyed, and the Corporation may require the owner of the lost, stolen or destroyed certificate or his or her legal representative to give the Corporation a bond sufficient to indemnify it against any claim that may be made against it on account of the alleged loss, theft or destruction of any such certificate or the issuance of any such new certificate. The Board of Directors may require such owner to satisfy other reasonable requirements as it deems appropriate under the circumstances.

Section 6.4 Stockholder Record Date. In order that the Corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or to express consent to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action, the Board of Directors may fix a record date, which record date shall not precede the date on which the resolution fixing the record date is adopted by the Board of Directors, and which shall not be more than sixty nor less than ten (10) days before the date of such meeting, nor more than sixty (60) days prior to any other action.

If no record date is fixed by the Board of Directors, (l) the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the date on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held, (2) the record date for determining stockholders entitled to express consent to corporate action in writing without a meeting, when no prior action by the Board of Directors is necessary, shall be at the close of business on the day on which the first written consent is expressed by the filing thereof with the Corporation as provided in Section 2.8 of these Bylaws, and (3) the record date for determining stockholders for any other purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto.

A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

Only such stockholders as shall be stockholders of record on the date so fixed shall be entitled to notice of, and to vote at, such meeting and any adjournment thereof, or to give such consent, or to receive payment of such dividend or other distribution, or to exercise such rights in respect of any such change, conversion or exchange of stock, or to participate in such action, as the case may be, notwithstanding any transfer of any stock on the books of the Corporation after any record date so fixed.

Section 6.5 Beneficial Owners. The Corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends, and to vote as such owner, and to hold liable for calls and assessments a person registered on its books as the owner of shares, and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided in the Certificate of Incorporation or by law.

ARTICLE VII

Seal

Section 7.1 Seal. The seal of the Corporation shall be circular in form and shall bear, in addition to any other emblem or device approved by the Board of Directors, the name of the Corporation, the year of its incorporation and the words “Corporate Seal” and “Delaware”. The seal may be used by causing it or a facsimile thereof to be impressed or affixed or in any other manner reproduced.

ARTICLE VIII

Waiver Of Notice

Section 8.1 Waiver of Notice. Whenever notice is required to be given to any stockholder or director of the Corporation under any provision of the General Corporation Law or the Certificate of Incorporation or these Bylaws, a written waiver thereof, signed by the person or persons entitled to notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. In the case of a stockholder, such waiver of notice may be signed by such stockholder' s attorney or proxy duly appointed in writing. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the stockholders, directors or members of a committee of directors need be specified in any written waiver of notice.

ARTICLE IX

General Provisions

Section 9.1 Checks, Notes, Drafts, Etc. Checks, notes, drafts, acceptances, bills of exchange and other orders or obligations for the payment of money shall be signed by such officer or officers or person or persons as the Board of Directors or a duly authorized committee thereof may from time to time designate.

Section 9.2 Dividends. Dividends upon the capital stock of the Corporation, subject to the provisions of the Certificate of Incorporation, if any, may be declared by the Board of Directors at any regular or special meetings, and may be paid in cash, in property, or in shares of the capital stock. Before payment of any dividend, there may be set aside out of any funds of the Corporation available for dividends such sum or sums as the Board of Directors from time to time, in its absolute discretion, deems proper as a reserve to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the Corporation, or for any proper purpose, and the Board of Directors may modify or abolish any such reserve.

Section 9.3 Fiscal Year. The fiscal year of the Corporation shall be fixed by resolution of the Board of Directors.

ARTICLE X

Amendments

Section 10.1 Amendments. These Bylaws or any of them may be altered, amended or repealed, and new Bylaws may be adopted, by the affirmative vote of a majority of the Corporation' s stockholders or by the Board of Directors, provided that such alteration, amendment, repeal or adoption of new Bylaws is not inconsistent with law or with the Certificate of Incorporation.

EXHIBIT 4.1

FORM OF CLASS A COMMON STOCK CERTIFICATE

AMPEX | Corporation

NUMBER	SHARES
AR _____	_____
INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE	SEE REVERSE FOR CERTAIN DEFINITIONS AND LEGENDS

This Certifies that _____

Is the record holder of _____

FULLY PAID AND NONASSESSABLE SHARES OF THE CLASS A COMMON STOCK, $.01 PAR VALUE, OF

AMPEX Corporation

transferable only on the books of the Corporation by the holder hereof in person or by duly authorized attorney upon surrender of this Certificate properly endorsed. This Certificate and the shares represented hereby are issued and shall be subject to all the provisions of the Restated Certificate of Incorporation, as amended, to all of which the holder by acceptance hereof assents. This Certificate is not valid unless duly countersigned by the Transfer Agent and registered by the Registrar.

WITNESS the facsimile seal of the Corporation and the facsimile signatures of its duly authorized officers.

Dated: _____

_____	AMPEX CORPORATION CORPORATE SEAL 1992 DELAWARE	_____
SECRETARY		PRESIDENT

COUNTERSIGNED AND REGISTERED:
AMERICAN STOCK TRANSFER & TRUST COMPANY, LLC
(New York, NY)
TRANSFER AGENT AND REGISTRAR

BY _____
AUTHORIZED SIGNATURE

The Corporation shall furnish without charge to each stockholder who so requests a statement of the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock of the Corporation or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights. Such requests shall be made to the Corporation' s Secretary at the principal office of the Corporation.

THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAWS AND MAY NOT BE SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT IN ACCORDANCE WITH THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT OF 1933, AS AMENDED, OR AN EXEMPTION THEREFROM AND, IN EACH CASE, IN COMPLIANCE WITH APPLICABLE STATE SECURITIES LAWS.

THE SHARES REPRESENTED BY THIS CERTIFICATE ARE RESTRICTED PURSUANT TO THE CERTIFICATE OF INCORPORATION OF THE CORPORATION TO THE EFFECT THAT THE VOTING RIGHTS OF CERTAIN HOLDERS OF THE CORPORATION' S SECURITIES MAY BE NULLIFIED IN THE EVENT OF ANY INQUIRY OR DETERMINATION BY THE U.S. DEPARTMENT OF DEFENSE REGARDING FOREIGN OWNERSHIP OF THE CORPORATION AND ITS POSSIBLE EFFECTS ON NATIONAL SECURITY.

THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO VARIOUS CONDITIONS, INCLUDING CERTAIN RESTRICTIONS ON SALE, DISPOSITION OR TRANSFER, AS SET FORTH IN THE CORPORATION' S CERTIFICATE OF INCORPORATION, AS AMENDED (THE "CERTIFICATE OF INCORPORATION"), AND THE STOCKHOLDERS' AGREEMENT DATED AS OF OCTOBER 3, 2008 AMONG THE CORPORATION AND THE STOCKHOLDERS NAMED THEREIN, AS IT MAY BE AMENDED FROM TIME TO TIME (THE "STOCKHOLDERS' AGREEMENT"). NO REGISTRATION OR TRANSFER OF THESE SHARES WILL BE MADE ON THE BOOKS OF THE CORPORATION UNLESS AND UNTIL SUCH RESTRICTIONS SHALL HAVE BEEN COMPLIED WITH. THE CORPORATION WILL FURNISH WITHOUT CHARGE TO EACH HOLDER OF RECORD OF THE SHARES REPRESENTED BY THIS CERTIFICATE A COPY OF THE CERTIFICATE OF INCORPORATION AND STOCKHOLDERS' AGREEMENT, CONTAINING THE ABOVE-REFERENCED RESTRICTIONS ON TRANSFERS OF STOCK, UPON WRITTEN REQUEST TO THE CORPORATION AT ITS PRINCIPAL PLACE OF BUSINESS.

The following abbreviations, when used in the inscription on the face of this certificate, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM
−as tenants in common

UNIF GIFT MIN ACT _____ Custodian _____
(Cust) (Minor)

TEN ENT
−as tenants by the entireties

Under Uniform Gift to Minors Act _____
(State)

JT TEN
−as joint tenants with right of survivorship and not as tenants in common

UNIF TRF MIN ACT_____ Custodian (until age_____)
(Cust)
_____ under Uniform Transfers
(Minor)
to Minors Act _____
(State)

Additional abbreviations may also be used though not in the above list.

FOR VALUE RECEIVED, _____ hereby sells, assigns and transfers unto

PLEASE INSERT SOCIAL SECURITY OR OTHER
IDENTIFYING NUMBER OF ASSIGNEE

_____

(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS, INCLUDING ZIP CODE, OF ASSIGNEE)

_____ Shares of the common stock represented by the within Certificate, and do hereby irrevocably constitute and appoint

_____ Attorney to transfer the said stock on the books of the within named Corporation with full power of substitution in the premises.

Dated _____

X _____

X _____

NOTICE: THE SIGNATURE(S) TO THIS ASSIGNMENT MUST CORRESPOND WITH THE NAME(S) AS WRITTEN UPON THE FACE OF THE CERTIFICATE IN EVERY PARTICULAR, WITHOUT ALTERATION OR ENLARGEMENT OR ANY CHANGE WHATEVER.

Signature(s) Guaranteed

By _____

THE SIGNATURE(S) MUST BE GUARANTEED BY AN ELIGIBLE GUARANTOR INSTITUTION (BANKS, STOCKBROKERS, SAVINGS AND LOAN ASSOCIATIONS AND CREDIT UNIONS WITH MEMBERSHIP IN AN APPROVED SIGNATURE GUARANTEE MEDALLION PROGRAM), PURSUANT TO S.E.C. RULE l7Ad-15.

EXHIBIT 4.2

STOCKHOLDERS' AGREEMENT

among

AMPEX CORPORATION

and

EACH OF THE STOCKHOLDERS
IDENTIFIED HEREIN

Dated as of October 3, 2008

TABLE OF CONTENTS

		Page
Schedule A	List of Certain Stockholders	18
Schedule B	List of Certain Investor Groups	19
Exhibit A	Amended and Restated Certificate of Incorporation of the Corporation	20
Exhibit B	Bylaws of the Corporation	21
Exhibit C	Form of Certificate of Designations for Series A Preferred Stock	22

STOCKHOLDERS' AGREEMENT

This Stockholders' Agreement (this "Agreement") is made as of the 3rd day of October, 2008, by and among AMPEX CORPORATION, a Delaware corporation (the "Corporation"), each of the Stockholders (as defined in Article I) that is deemed to have entered into this Agreement pursuant to the Plan (as defined below) as described in Section 7.7 hereof and each Person (as defined below) that hereafter becomes a Stockholder and is required by this Agreement to become a party hereto.

W I T N E S S E T H :

WHEREAS, the Corporation and certain of its Subsidiaries (as defined in Article I) have filed a joint plan of reorganization (the "Plan") under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101-1330 (the "Bankruptcy Code") in the United States Bankruptcy Court for the Southern District of New York to effect a financial restructuring of the Corporation;

WHEREAS, on or about October 3, 2008 (the "Effective Date"), (i) the Effective Date as provided for in the Plan and the Confirmation Order occurred, and (ii) shares of Common Stock were issued or, in order to allow for the possibility that certain stock issuances are not made until after the Effective Date, deemed to be issued to the Stockholders pursuant to the Plan; and

WHEREAS, pursuant to the Plan, the Stockholders have been deemed to have entered into this Agreement to govern certain rights of the Stockholders and to provide certain other rights and obligations among them;

NOW THEREFORE, in consideration of the premises and the mutual agreements, covenants and provisions contained herein, and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound hereby, agree as follows:

ARTICLE I

CERTAIN DEFINITIONS

The following terms shall have the definitions set forth below:

(a) "Affiliate" means: (1) with respect to any Person, any of (a) a director, officer or 5% Owner of such Person, (b) a Family Member of such Person (or a Family Member of any director, officer or 5% Owner of such Person) and (c) any other Person that, directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, another Person or (2) in any event, any Person meeting the definition of "Affiliate" set forth in Rule 405 under the Securities Act. The term "control" includes, without limitation, the possession, directly or indirectly, of the power to direct the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

(b) "Agreement" has the meaning set forth in the preamble of this Agreement.

(c) "Bankruptcy Code" has the meaning set forth in the preamble of this Agreement.

(d) "Board" has the meaning set forth in Section 2.1(a) hereof.

(e) "Business Day" means any day (other than a day which is a Saturday, Sunday or legal holiday in the State of New York) on which banks are open for business in the City of New York.

(f) "ByLaws" means the ByLaws of the Corporation, as in effect from time to time.

(g) "Certificate of Incorporation" means the Amended and Restated Certificate of Incorporation of the Corporation and all amendments thereto in effect from time to time.

(h) "Common Stock" means the Common Stock, par value $0.01 per share, of the Corporation or any other shares of capital stock or other securities of the Corporation into which such shares of Common Stock shall be reclassified or changed, including, by reason of a merger, consolidation, reorganization or recapitalization. If the Common Stock has been so reclassified or changed, or if the Corporation pays a dividend or makes a distribution on the Common Stock in shares of capital stock, or subdivides (or combines) its outstanding shares of Common Stock into a greater (or smaller) number of shares of Common Stock, a share of Common Stock shall be deemed to be such number of shares of stock and amount of other securities to which a holder of a share of Common Stock outstanding immediately prior to such change, reclassification, exchange, dividend, distribution, subdivision or combination would be entitled to hold as a result of such change, reclassification, exchange, dividend, distribution, subdivision or combination.

(i) "Corporation" has the meaning set forth in the preamble of this Agreement.

(j) "Designated Holders" means each of the Hillside Investors (acting for this purpose collectively as a single entity) and any other Person who otherwise obtains the right to designate a director from the Hillside Investors pursuant to Section 2.1 hereof.

(k) "Effective Date" has the meaning set forth in the preamble to this Agreement.

(l) "Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC promulgated thereunder.

(m) "Family Member" of any Person means any spouse, parent, stepparent, sibling, child, stepchild, ancestor or descendant of such Person and any other person (other than a tenant or employee) sharing such Person' s household.

(n) "5% Owner" of any Person means any other Person directly or indirectly owning, controlling or holding at least five percent (5%) or more of the outstanding voting securities, capital stock or equity of such Person.

(o) "Hillside Investors" means the Persons listed under the heading "Hillside Investors" on Schedule B hereto and shall include any Affiliate of any Hillside Investor to whom Shares are transferred.

(p) "Non-Hillside Holders" means any Stockholder who is not a Hillside Investor.

(q) "Organizational Documents" means the Certificate of Incorporation and ByLaws of the Corporation, the Certificate of Designations for the Series A Preferred Stock and any other certificates of designations relating to preferred stock of the Corporation.

(r) "Permitted Transferee" means, with respect to any Person, (i) any other Person directly or indirectly owning, controlling or holding with power to vote a majority of the outstanding voting securities and equity or beneficial interests in such Person, (ii) any other Person a majority of whose outstanding voting securities and equity or beneficial interests are directly or indirectly owned, controlled or held with power to vote by such other Person, (iii) any other Person a majority of whose outstanding voting securities and equity or other beneficial interests are directly or indirectly owned, controlled or held with power to vote by a Person directly or indirectly owning, controlling or holding with power to vote a majority of the outstanding voting securities and equity or other beneficial interests of such other Person with whom affiliate status is being tested, (iv) a trust, limited partnership or limited liability company benefiting solely such Person and/or any Family Member of such Person (or a Family Member of any director or officer of such Person) and (v) any Family Member or other Affiliate of such Person.

(s) "Person" means an individual, partnership, corporation, unincorporated organization, joint stock company, limited liability company, association, trust or joint venture, or a governmental agency or political subdivision thereof.

(t) "Plan" has the meaning set forth in the preamble of this Agreement.

(u) "QPO" means the first underwritten public offering pursuant to an effective registration statement covering a sale of Common Stock to the public, that (A) is led by a nationally recognized investment bank, and (B) results in the Common Stock being listed on a national securities exchange or quoted on NASDAQ.

(v) "Request" has the meaning set forth in Section 3.1(e) hereof.

(w) "SEC" means the United States Securities and Exchange Commission, or any other Federal agency at the time administering the Securities Act or the Exchange Act.

(x) "Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations of the SEC promulgated thereunder.

(y) "Series A Preferred Stock" means the series of preferred stock of the Corporation having the voting powers, designations, preferences and other special rights, and qualifications, limitations and restrictions thereof substantially as set forth in the Form Certificate of Designations annexed to the Plan as Annex [__].

(z) "Shares" means shares of Common Stock.

(aa) "Stockholders" means the Persons deemed to have entered into this Agreement pursuant to the Plan as further specified in Section 7.7 hereof, including without limitation the Hillside Investors, the Non-Hillside Holders and each party named on Schedule A hereto, and any other Person who is a transferee of Shares, whether from another Stockholder or from the Corporation, who is required by this Agreement to agree to be bound by the terms and conditions of this Agreement. The term "Stockholder" means any one of the Stockholders and, in the case of a Stockholder who is a natural person, the term "Stockholder" also includes such Stockholder' s legal representatives, executors or administrators when the context so requires.

(bb) "Subsidiary" means any Person in which the Corporation, directly or indirectly through Subsidiaries or otherwise, beneficially owns more than fifty percent (50%) of either the equity interests in, or the voting control of, such Person.

(cc) "Tag-Along Transaction" means any transaction or series of transactions involving a Transfer by any of the Hillside Investors or Designated Holders or any transferee of the foregoing as a result of which not less than a majority of the Shares held in the aggregate by the Hillside Investors as of the date hereof are Transferred to a Person who is not an Affiliate of the Hillside Investors, in which individual Non-Hillside Holders may elect in their discretion to participate in accordance with Section 4.2; provided, however, that a "Tag-Along Transaction" shall not include, and none of the rights of the Non-Hillside Holders set forth in Section 4.2 shall be triggered by, a Transfer by the Hillside Investors to any of its Affiliates.

(dd) "Third Party" means a bona fide prospective purchaser of Common Stock in an arm' s-length transaction from a holder of such Common Stock where such purchaser is not, prior to such proposed purchase, a party to the Stockholders' Agreement or a Permitted Transferee of such holder of Common Stock.

(ee) "Transfer" has the meaning set forth in Section 3.1(a) hereof.

(ff) "Underwritten Public Offering" means a registration under the Securities Act in which securities of the Corporation are sold to an underwriter for reoffering to the public.

ARTICLE II

BOARD OF DIRECTORS

SECTION 2.1. Election of Directors; Number and Composition.

(a) (i) Prior to the issuance of any shares of Series A Preferred Stock, the number of directors constituting the Board of Directors of the Corporation (the "Board") shall be three (3), in accordance with the Corporation' s ByLaws. Each Stockholder shall vote (or shall cause to be voted) its Shares to elect, and shall take all other actions necessary or required to ensure the election to the Board of, three nominees of the Designated Holders (each, a "Designated Director"), who shall initially be Raymond F. Weldon, Donald L. Hawks III and D. Gordon Strickland. Subject to terms of the Organizational Documents, the Chairman of the Board shall be selected by the Board from the Designated Directors.

(ii) (A) Following the first issuance of the Series A Preferred Stock, the number of directors constituting the Board shall be increased to a number equal to the sum of (x) one plus, (y) two times the number of directors constituting the Board immediately prior to such issuance. Each Stockholder agrees that it shall, to the extent necessary or otherwise requested by the Hillside Investors, vote its Shares and take all other action to effect such increase in the number of Directors and to ensure the election to the Board of the nominees of the holders of the Series A Preferred Stock and the Designated Holders.

(B) The holders of Series A Preferred Stock shall have a right to elect a majority of the Board.

(b) Subject to terms of the Organizational Documents, the Chief Executive Officer of the Corporation shall be appointed by a majority of the Board and shall initially be D. Gordon Strickland (it being understood that the Chief Executive Officer shall not be a third party beneficiary of this Agreement and if any such Person shall cease to serve in that capacity he or she will be removed from the Board as promptly as practicable).

(c) In the event that the Hillside Investors Transfer at least 51% of the outstanding Shares to another Person or group of Persons, the Hillside Investors shall have the right to transfer their right to designate up to three (3) directors of the Corporation to such other Person or group of Persons. Upon any transfer of the right to designate directors pursuant to this Section 2.1(c), (i) the Person to whom such right is transferred shall become a Designated Holder and a party to this Agreement and (ii) the right of the Hillside Investors to appoint directors under Section 2.1(a) shall cease; provided, that the directors designated by the Hillside Investors shall continue in office until the expiration of the term of such directors or until such directors resign or are removed or replaced by the Designated Holder(s) to whom the right to designate such director was transferred (any vacancy caused by a resignation of such a director shall also be filled by a vote of the Designated Holder(s) to whom the right to designate such director was transferred).

(d) In the event that any Designated Holder has not otherwise transferred its right to designate a director or directors of the Corporation to another Person as provided in Section 2.1(c) then, subject to the Organizational Documents, the director or directors designated by such Designated Holder shall continue in office until the expiration of the term of such director or directors or until such director or directors resign, or are removed or replaced by a vote of the requisite amount of holders of the Shares voting together as a single class (any vacancy caused by a resignation of such a director shall also be filled by a vote of the requisite amount of the holders of the Shares voting together as a single class).

(e) The failure of any Designated Holder to fully exercise its designation rights pursuant to this Section 2.1 shall not constitute a waiver or diminution of such right, nor shall it prevent such Designated Holder from fully exercising such rights prospectively. Should any individual designated or elected as a director be unwilling or unable to serve, or otherwise cease to serve (including by means of removal in accordance with the following sentence), the Board shall, promptly upon the request of such Designated Holder who has the right to designate such designee director at the time of such replacement, nominate or elect, as the case may be, a qualified individual recommended by such Designated Holder to replace such designee director; provided, however, that such Designated Holder shall have such right only if and to the extent consistent with the Organizational Documents and the foregoing provisions of this Section 2.1. If any Designated Holder proposes to remove its designated director, such Designated Holder and the other Stockholders agree, promptly upon any request from such Designated Holder, to cooperate in effecting such removal (including, without limitation, voting all Shares held by such Stockholders on any action necessary to effect such removal) and taking any actions necessary to fill any resulting vacancy in accordance with the preceding sentence.

SECTION 2.2. Board Committees. Any committee that is established by the Board shall, at the option of the Designated Holders, and subject to the terms of the Organizational Documents, include the individuals designated to the Board by the Designated Holders.

SECTION 2.3. Reimbursement of Certain Expenses. To the fullest extent permitted by applicable law, the Corporation shall, from time to time upon request therefor, promptly reimburse the directors for the reasonable and documented out-of-pocket expenses incurred by them in connection with their attendance of regular, special and telephonic meetings of the Board or, and solely with respect to the directors, of committees established by the Board, and any other activities undertaken by them in their capacity as directors of the Corporation. The foregoing shall be in addition to, and not in lieu of (or in duplication of), any indemnification or reimbursement obligations of the Corporation under the Certificate of Incorporation or Bylaws of the Corporation.

SECTION 2.4. Board and Committee Action. In addition to any requirements specified in the Bylaws of the Corporation, a majority of the directors must be present, in person or by telephone, at every meeting of the Board and a majority of the directors comprising any committee must be present, in person or by telephone, at every meeting of any committee established by the Board, to constitute a quorum. Each director will be provided with notice of every meeting of the Board and every meeting of a committee on which such director serves and if a majority of directors object to the date and time of the meeting, the meeting shall be rescheduled for a new date and time at which time the quorum requirement set forth in the Bylaws of the Corporation and this Section 2.4 shall be applicable. As set forth in the Organizational Documents, each member of the Board shall be entitled to one vote on all matters brought before the Board, and an affirmative vote of a majority of directors present at a meeting where a quorum exists shall be required to approve all actions taken by the Board.

SECTION 2.5. Further Assurances. Each Stockholder agrees to vote, in person or by proxy, all Shares owned by such Stockholder, at any annual or special meeting of Stockholders of the Corporation called for the purpose of voting on the election of directors or by consensual action of Stockholders without a meeting with respect to the election of directors, in favor of the election of the directors designated in accordance with Section 2.1 and against any other matter that is presented to Stockholders for a vote or consent that contravenes this Agreement. Each Stockholder shall vote the Shares owned by such Stockholder and shall take all other actions necessary to ensure that the Certificate of Incorporation and Bylaws of the Corporation do not at any time conflict with the provisions of this Agreement.

SECTION 2.6. Insurance. The Corporation will maintain continuously in effect directors' and officers' liability insurance of the type usually maintained by corporations engaged in the same or similar businesses, and such insurance shall contain customary terms (including, without limitation, deductibles and exclusions) and be in amounts that are customarily insured against by corporations engaged in the same or similar businesses. The Corporation shall ensure that each director of the Corporation shall be covered under such insurance.

ARTICLE III

TRANSFERS OF SHARES

SECTION 3.1. General.

(a) *Restrictions on Transfer*. No Stockholder shall transfer in any manner whatsoever, including by way of sale, transfer, assignment, conveyance or other disposition, including without limitation by merger, operation of law, whether voluntarily or involuntarily (other than a sale, transfer, assignment, conveyance or other disposition by or to the Corporation, or by any Stockholder for estate planning purposes or pursuant to the laws of descent and distribution, or pursuant to any domestic relations order), any shares of Common Stock or any option, warrant or other right to purchase or acquire shares of Common Stock (such warrant, option, or security being an "Option") (any such action being a "Transfer"), except as expressly permitted by this Article III, by Section 4.1 or by Section 4.2.

(b) *Board Consent*. Except as permitted by Section 3.1(c) below, no Person shall Transfer any shares of Common Stock to any Third Party without the prior consent of a majority of the Board of Directors, provided, however, such consent shall not be capriciously or arbitrarily withheld.

(c) *Permitted Transferees*. The restrictions on Transfer set forth in Section 3.1(b) shall not apply to (i) any Transfer by a Hillside Investor of Common Stock or (ii) any Transfer by a Non-Hillside Holder to a Permitted Transferee.

(d) *Exchange Act Restrictions*. No Person or group of Persons acting together pursuant to a common plan or arrangement shall take any action or make any Transfer in each case, whether voluntary or involuntary, of record, by operation of law or otherwise of Common Stock or any Options to any Person (regardless of the manner in which such Person initially acquired such shares of Common Stock or Options), nor shall the Corporation issue, sell or otherwise transfer any shares of Common Stock or Options to any Person:

(i) if the Corporation reasonably determines that such Transfer would, if effected, result in the Corporation having 300 or more holders of record (as such concept is understood for purposes of Section 12(g) of the Exchange Act and any relevant rules promulgated thereunder), unless the Corporation is already subject to the reporting obligations under Sections 13 or 15(d) of the Exchange Act and any relevant rules promulgated thereunder. Any such prohibited action or Transfer shall be void, unless such Transfer is approved by the Board of Directors; and

(ii) with respect to Transfers of shares of Common Stock, unless the certificates representing such shares bear legends as provided in Section 3.1(f) below, for so long as such legends are applicable, and such transferee (x) shall have executed and delivered to the Corporation, as a condition precedent to any acquisition of shares of Common Stock, an instrument in form and substance satisfactory to the Corporation confirming that such transferee takes such shares of Common Stock subject to all the terms and conditions of this Agreement and (y) agrees to be bound by the terms of this Agreement.

The Corporation shall not transfer upon its books any shares of Common Stock to any Person except in accordance with the Certificate of Incorporation and this Agreement.

(e) *Requests for Transfer*. (i) In order to provide for the effective policing of these provisions, a potential transferor or transferee who proposes to effect a Transfer, prior to the date of the proposed Transfer, must submit to the Corporation a request in writing (a "Request") that the Corporation review the proposed Transfer and authorize or not authorize the proposed Transfer pursuant to this Section 3.1. A Request shall be mailed or delivered to (i) the Secretary, General Counsel or Chief Financial Officer of the Corporation, or any of their designees, and (ii) the Chairman of the Board of the Corporation (the "Transfer Request Recipients"), in each case at the Corporation' s principal place of business. Such Request shall be deemed to have been delivered when delivered to the Transfer Request Recipients in accordance with the foregoing sentence. A Request shall include (A) the name, address and telephone number of the proposed transferee, (B) a description of the interest proposed to be transferred by the proposed transferee, (C) the date on which the proposed Transfer is expected to take place, (D) the name of the proposed transferor of the interest to be Transferred, (E) the percentage of the proposed transferor' s total interest to be Transferred, (F) if applicable, reasonably sufficient information (which may, but shall not be required to, include an opinion of counsel) to establish that no registration of such proposed Transfer is required under the Securities Act or any applicable state securities or "blue sky" laws and (G) a request that the Corporation authorize, if appropriate, the Transfer pursuant to the relevant sections of this Section 3.1 and inform the proposed transferor and transferee of its determination regarding the proposed Transfer. Within five (5) Business Days of receipt of any Request, the Transfer Request Recipients shall seek to obtain the Board' s authorization or denial of the proposed Transfer described in the Request; provided, however; that (1) if the Transfer Request Recipients do not obtain the authorization or denial of the proposed Transfer within such five (5) Business Days, such Transfer shall be deemed to be authorized hereunder, and (2) if, based on the Board' s denial, the Transfer Request Recipients deny such proposed Transfer under subclause (c) or (d) of this Section 3.1 then, upon the further request of the potential transferor, the Board shall call a special meeting as soon as practicable, and in any case within fifteen (15) days after receipt by the Transfer Request Recipients of a Request, and shall act to determine whether to authorize the proposed Transfer described in the Request. The Board shall conclusively determine whether to authorize the proposed Transfer, in its discretion and judgment (which discretion and judgment shall be limited to the same bases as are set forth above under subclause (c) or (d) of this Section 3.1 with regard to the Transfer Request Recipients), and shall immediately inform the proposed transferee or transferor making the Request of such determination; provided, however, that in no event shall the potential transferor be permitted to challenge a decision made by the Board to deny a Transfer pursuant to subclause (b) of this Section 3.1.

(ii) Authorization of Transfer of Capital Stock. Notwithstanding anything to the contrary set forth in Section 3.1(d)(i), to the extent permitted by law, the Transfer Request Recipient shall authorize a Transfer of shares of Common Stock that would result in the Corporation having 300 or more holders of record (as such concept is understood for purposes of Section 12(g) of the Exchange Act and any rules promulgated thereunder) if the Board has approved such a Transfer. The Transfer Request Recipient and the Board shall authorize (A) a Transfer by a stockholder to another stockholder or (B) a Transfer of all shares owned by the proposed transferor to a single Person who is treated as a single record holder under the Exchange Act. For the avoidance of doubt, the Transfer Request Recipient and the Board shall approve the Transfers in the order in which the Requests are received; provided, however, that in the event that the Corporation denies a Request to Transfer any shares of Common Stock, prior

to approving any subsequent Request to Transfer any shares of Common Stock, the Corporation shall provide prior notice to any stockholders who were previously denied their Request and a reasonable period of time for any such stockholders to make subsequent Requests to Transfer their shares, which subsequent Requests shall be approved in the order in which the initial Requests were previously received.

(f) *Legend on Certificates*. (i) All certificates for shares of Common Stock shall conspicuously bear the following legends:

> THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAWS AND MAY NOT BE SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT IN ACCORDANCE WITH THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT OF 1933, AS AMENDED, OR AN EXEMPTION THEREFROM AND, IN EACH CASE, IN COMPLIANCE WITH APPLICABLE STATE SECURITIES LAWS.
>
> THE SHARES REPRESENTED BY THIS CERTIFICATE ARE RESTRICTED PURSUANT TO THE CERTIFICATE OF INCORPORATION OF THE CORPORATION TO THE EFFECT THAT THE VOTING RIGHTS OF CERTAIN HOLDERS OF THE CORPORATION' S SECURITIES MAY BE NULLIFIED IN THE EVENT OF AN INQUIRY OR DETERMINATION BY THE U.S. DEPARTMENT OF DEFENSE REGARDING FOREIGN OWNERSHIP OF THE CORPORATION AND ITS POSSIBLE EFFECTS ON NATIONAL SECURITY.

(ii) In addition to the legends required by Section 3.1(f)(i) above, all certificates for shares of Common Stock shall conspicuously bear the following legend:

> THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO VARIOUS CONDITIONS INCLUDING, CERTAIN RESTRICTIONS ON SALE, DISPOSITION OR TRANSFER AS SET FORTH IN THE CORPORATION' S CERTIFICATE OF INCORPORATION, AS AMENDED (THE "CERTIFICATE OF INCORPORATION"), AND THE STOCKHOLDERS' AGREEMENT DATED AS OF OCTOBER 3, 2008 AMONG THE CORPORATION AND THE STOCKHOLDERS NAMED THEREIN, AS IT MAY BE AMENDED FROM TIME TO TIME (THE STOCKHOLDERS' AGREEMENT). NO REGISTRATION OR TRANSFER OF THESE SHARES WILL BE MADE ON THE BOOKS OF THE CORPORATION UNLESS AND UNTIL SUCH RESTRICTIONS SHALL HAVE BEEN COMPLIED WITH. THE CORPORATION WILL FURNISH WITHOUT CHARGE TO EACH HOLDER OF RECORD OF THE SHARES REPRESENTED BY THIS CERTIFICATE A COPY OF THE CERTIFICATE OF INCORPORATION AND STOCKHOLDERS' AGREEMENT, CONTAINING THE ABOVE-REFERENCED RESTRICTIONS ON TRANSFERS OF STOCK, UPON WRITTEN REQUEST TO THE CORPORATION AT ITS PRINCIPAL PLACE OF BUSINESS.

In the event that any shares of Common Stock shall be registered under the Securities Act, the Corporation shall, upon the written request of the holder thereof, issue to such holder a new certificate evidencing such stock without the first legend required by Section 3.1(f)(i) endorsed thereon. In the event that the Common Stock shall cease to be subject to the restrictions on transfer of this Article III, the Corporation shall, upon the written request of the holder thereof, issue to such holder a new certificate evidencing such stock without the legend required by Section 3.1(f)(ii) endorsed thereon.

(g) *Authority of Board of Directors to Interpret*. Prior to a QPO or Underwritten Public Offering, nothing contained in this Article III shall limit the authority of the Board of Directors to take such other action to the extent permitted by law as it deems necessary or advisable to preserve the Corporation' s status as a non-reporting company under the Exchange Act.

(h) *Merger Transactions*. Notwithstanding any other provisions of this Agreement to the contrary, the Corporation may enter into an agreement to consolidate with or merge with or into any other corporation if such agreement is approved by the requisite vote of the holders of a majority of the outstanding shares of Common Stock, or as otherwise provided in the General Corporation Law of the State of Delaware or any other applicable laws.

(i) *Termination*. The provisions of this Article III shall terminate upon the earlier to occur of (i) a QPO and (ii) the prior approval by the holders of at least a majority of the outstanding shares of Common Stock.

ARTICLE IV

DRAG SALE; TAG-ALONG TRANSACTION

SECTION 4.1. Drag Sale.

(a) At any time prior to the consummation of a QPO or an Underwritten Public Offering that Hillside Investors holding a majority of the outstanding Shares propose a sale of the Corporation, which sale may be structured as a stock sale, stock exchange, merger, consolidation, amalgamation, asset sale or similar transaction (a "Drag Sale"), such Hillside Investors shall be entitled to deliver notice, which shall include the name of the parties to the Drag Sale, a summary of the material terms and conditions of the Drag Sale, and the proposed amount and form of consideration and the terms and conditions of payment contemplated by the Drag Sale to each of the Non-Hillside Holders, that it desires the Non-Hillside Holders to enter into agreements with one or more Persons that would result in a Drag Sale, whereupon, if the condition set forth below in Section 4.1(c) has been satisfied: (A) all Hillside Investors, Non-

Hillside Holders and the Corporation (as applicable) shall consent to and raise no objections against the Drag Sale and (B) if the Drag Sale is structured as (1) a merger, consolidation or sale of substantially all the assets of the Corporation, each Hillside Investor and Non-Hillside Holder shall vote in favor of such merger, consolidation or sale of substantially all the assets of the Corporation, hereby waives any dissenter' s rights, appraisal rights or similar rights in connection with such merger, consolidation or sale of substantially all the assets of the Corporation and hereby instructs the Board to vote in favor of such Drag Sale or (2) if the Drag Sale is structured as a sale or issuance of shares of capital stock, each Hillside Investor and Non-Hillside Holder shall, and hereby agrees to, sell their Shares on the terms and conditions of the Drag Sale and hereby waives preemptive or other rights with respect to any share issuance to be effected herewith. Each Hillside Investor and Non-Hillside Holder shall take all necessary and desirable actions in connection with the consummation of the Drag Sale, including the execution of such agreements and such instruments and other actions reasonably necessary to provide the representations, warranties, indemnities, covenants, conditions, escrow agreements and other provisions and agreements relating to such Drag Sale.

(b) At the closing of any Drag Sale pursuant to this Section 4.1, each Hillside Investor and Non-Hillside Holder shall deliver, against payment of the purchase price therefor, certificates (or evidence thereof) representing his, her or its Shares, duly endorsed for Transfer or accompanied by duly endorsed stock powers, evidence of good title to the Shares, the absence of liens, encumbrances and adverse claims with respect thereto and such other documents as are deemed reasonably necessary by the Hillside Investors and the Corporation for the proper Transfer of such Shares on the books of the Corporation.

(c) No Non-Hillside Investor shall be required to sell any Shares under Section 4.1(a) above unless the total consideration per Share payable to Non-Hillside Investors in the proposed Drag Sale is equal to the total consideration per Share paid to each Hillside Investor. Notwithstanding anything contained in this Section 4.1, in connection with any Drag Sale, no Non-Hillside Investor shall be required to make any representations or warranties (except as they relate to his or her ownership of and authority to sell the Shares) or covenants, or to provide any indemnity, except for (i) indemnification related to breaches of the foregoing representations and warranties and (ii) any other indemnity agreed to by any Hillside Investor (other than relating to a breach of representations and warranties by such Hillside Investor); provided, that (A) in the case of clause (ii) above, each Non-Hillside Investor' s obligation shall be on a pro rata basis in proportion to its interest in the Corporation and (B) in no event shall any Non-Hillside Investor be held liable under either clause (i) or (ii) above for any amount in excess of the net proceeds received by such Non-Hillside Investor in connection with any such Drag Sale.

SECTION 4.2. Tag-Along Transaction.

(a) If, prior to the consummation of a QPO, any Hillside Investor, Designated Holder or any transferee of any Hillside Investor or Designated Holder (each, a "Tag Transferor") desires to effect a Tag-Along Transaction, the Tag Transferor shall give written notice to the Non-Hillside Holders with a copy to the Corporation, offering Non-Hillside Holders the option to participate in such Tag-Along Transaction (a "Sale Notice") on the terms and conditions set forth in the Sale Notice (and, in any event, on the same terms and conditions as the

Tag Transferor). The Sale Notice shall include the name of the parties to the proposed Tag-Along Transaction, a summary of the material terms and conditions of the proposed Tag-Along Transaction, and the proposed amount and form of consideration and the terms and conditions of payment contemplated by the proposed Tag-Along Transaction. Each Non-Hillside Holder may, by written notice to the Tag Transferor delivered within thirty (30) days of the date of the Sale Notice, elect to sell in such Tag-Along Transaction, on the terms and conditions approved by the Tag Transferor, which terms and conditions shall be the same as those on which the Tag Transferor' s Shares are to be sold and shall be consistent with the terms and conditions set forth in the Sale Notice (subject to any rights, privileges and preferences (including dividend rights) to which the holders of any shares of preferred stock are entitled under the Certificate of Incorporation (or other documentation governing the terms of any such shares); provided, that if such proposed transferee desires to purchase an amount of Shares that is less than the aggregate amount of Shares proposed to be transferred by the Tag Transferor and the Non-Hillside Holders in the Tag-Along Transaction, then the Tag Transferor may elect to (A) cancel such Tag-Along Transaction with respect to itself and each Non-Hillside Holder or (B) sell, and upon such election to sell, each Non-Hillside Holder shall be permitted to sell only that number of Shares equal to the product of (x) the total number of Shares subject to the proposed Tag-Along Transaction and (y) such Stockholder' s proportionate percentage of Shares. No transfer permitted under this Section 4.2 shall be subject to the requirements of Article III or Section 4.2 hereof, and in no event shall any Non-Hillside Holder have any rights under this Section 4.2 or otherwise with respect to a sale by any Tag Transferor of any debt or equity securities of the Corporation other than the Shares (including without limitation, Shares issued upon exercise of any Options or as dividends or distributions). In connection with any Tag-Along Transaction, no Non-Hillside Investor shall be required to make any representations or warranties (except as they relate to his or her ownership of and authority to sell the Shares) or covenants, or to provide any indemnity, except for (i) indemnification related to breaches of the foregoing representations and warranties and (ii) any other indemnity agreed to by any Hillside Investor (other than relating to a breach of representations and warranties by such Hillside Investor); provided that (A) in the case of clause (ii) above, each Non-Hillside Investor' s obligation shall be on a pro rata basis in proportion to its interest in the Corporation and (B) in no event shall any Non-Hillside Investor be held liable under either clause (i) or (ii) above for any amount in excess of the net proceeds received by such Non-Hillside Investor in connection with any such Tag-Along Transaction. The election by any Non-Hillside Investor to sell or not to sell all or any portion of his or her Shares in any Tag-Along Transaction shall not adversely affect his or her right to participate in any other Tag-Along Transaction.

(b) Upon the closing of the sale of any Shares pursuant to Section 4.2(a), each Tag Transferor and Non-Hillside Holder shall deliver at such closing, against payment of the purchase price therefor, certificates or other documentation governing the terms of any such Shares (or other evidence thereof acceptable to the transferee of such Shares) representing their Shares to be sold, duly endorsed for Transfer or accompanied by duly endorsed stock powers, evidence of good title to the Shares to be sold, the absence of liens, encumbrances and adverse claims with respect thereto and such other documents as are deemed reasonably necessary by the Tag Transferor and the Corporation for the proper Transfer of such Shares on the books of the Corporation.

ARTICLE V

ADDITIONAL AGREEMENTS

SECTION 5.1. Access to Information; Reports.

(a) The Corporation will, and will cause its Subsidiaries to, provide each director with access to all information made available by the Corporation to any other director of the Corporation in his or her capacity as a director, on the same terms and subject to the same limitations and restrictions, if any (and no others) as shall apply to such other directors.

(b) Without limitation as to Section 5.1(a), the Corporation will, and will cause its Subsidiaries to, provide to each holder of Shares, as soon as available and in any event no later than 120 days after the end of each fiscal year, a true and complete copy of the consolidated balance sheet and the related consolidated statements of operations, shareholders' equity and cash flows of the Corporation and its Subsidiaries as of and for the fiscal year then ended, together with the notes relating thereto, all in reasonable detail and accompanied by a report thereon by independent public accountants of recognized national standing, which report shall be unqualified as to scope of audit and shall state that such consolidated financial statements present fairly the consolidated financial position, results of operations and cash flows of the Corporation and its Subsidiaries as of the dates thereof and for the fiscal year then ended in accordance with generally accepted accounting principles consistently applied. The information described in this Section 5.1 shall be subject to the confidentiality and use restrictions set forth in Section 5.4.

SECTION 5.2. Certificate of Incorporation and Bylaws. The Stockholders acknowledge and agree that in connection with entering into this Agreement (as provided in Section 7.7), the Certificate of Incorporation, the Bylaws of the Corporation and the Certificate of Designations for the Series A Preferred Stock shall be as set forth in Exhibits A, B and C hereto. If and to the extent that any provision of this Agreement conflicts with or is inconsistent with any provision of the Certificate of Incorporation and/or Bylaws of the Corporation, to the extent permitted by law, such provision of the Certificate of Incorporation and/or ByLaws shall be controlling and, to the extent practicable, the conflicting or inconsistent provision of this Agreement shall be construed in a manner consistent with such provision of the Certificate of Incorporation and/or ByLaws .

SECTION 5.3. No Other Voting Agreements. Except as specifically contemplated hereby, no Stockholder shall grant any proxy or enter into or agree to be bound by any voting trust with respect to any Shares nor shall any Stockholder enter into any shareholder agreements or arrangements of any kind with any Person with respect to any Shares inconsistent with the provisions of this Agreement (whether or not such proxies, voting trusts, agreements or arrangements are with other Stockholders or holders of Shares who are not parties to this Agreement), including but not limited to, agreements or arrangements with respect to the acquisition, disposition, pledge or voting of Shares, nor shall any Stockholder act, for any reason, as a member of a group or in concert with any other Persons (other than Affiliates) in connection with the acquisition, disposition or voting of Shares in any manner which is inconsistent with the provisions of this Agreement.

SECTION 5.4 Confidentiality. Each Stockholder hereby agrees that it will keep strictly confidential and will not disclose, divulge or use for any purpose, other than to hold, vote, dispose and monitor its existing investment in the Corporation, any confidential information obtained from the Corporation pursuant to the terms of this Agreement, unless such confidential information is known or becomes known to the public in general (other than as a result of a breach of this Section 5.4 by such Stockholder or its Affiliates) or is or becomes available to such Stockholder from a source other than the Corporation or its Affiliates (provided, that the Stockholder is not aware that such source is under an obligation to keep such information confidential); provided, however, that a Stockholder may disclose (on a confidential basis) confidential information (a) to its attorneys, accountants, consultants, and other professionals to the extent necessary to obtain their services in connection with its holding, voting, disposition and monitoring of its existing investment in the Corporation, (b) to any Affiliate, or to any director, officer, employee, partner, member or regulator of such Stockholder or Affiliate in the ordinary course of business, to the extent necessary to hold, vote, dispose and monitor its existing investment in the Corporation, (c) to a potential transferee, to the extent necessary to consummate a sale that is consistent with this Agreement of all or a portion of its investment to such Person, or (d) as may otherwise be required by applicable law or judicial or administrative process; provided, that in the case of disclosure under this clause (d) such Stockholder shall take, at the Corporation' s expense, all reasonable steps requested by the Corporation to minimize the extent of any such required disclosure, and to the extent practicable, await the final outcome of any motion for a protective order that the Corporation may file before disclosing any confidential information.

ARTICLE VI

REPRESENTATIONS AND WARRANTIES

SECTION 6.1. Ownership and Authority. Each Stockholder executing this Agreement, severally and not jointly, represents and warrants that, to the best of its knowledge: (a) as of the Effective Date, such Stockholder is deemed to be the record owner of the number and type of Shares set forth opposite his, her or its name on Schedule A attached hereto, (b) this Agreement has been duly authorized (if such Stockholder is not an individual), executed and delivered by such Stockholder and constitutes the valid and binding obligation of such Stockholder, enforceable in accordance with its terms (except as limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other laws relating to or affecting creditors' rights generally and the effect and application of general principles of equity and the availability of equitable remedies) and (c) such Stockholder has not granted and is not a party to any proxy, voting trust or other agreement which is inconsistent with or conflicts with the provisions of this Agreement, and each Stockholder covenants that it shall not grant any proxy or become party to any voting trust or other agreement which is inconsistent with or conflicts with the provisions of this Agreement.

SECTION 6.2. No Other Agreements. The Corporation represents and warrants that it is not party to any stockholders' or voting agreement, other than this Agreement, with any stockholders of the Corporation.

ARTICLE VII

MISCELLANEOUS

SECTION 7.1. Survival of Agreement; Term. The rights and obligations set forth in this Agreement shall terminate upon the earlier to occur of (i) a QPO and (ii) the prior approval by the holders of at least 51% of the outstanding Shares.

SECTION 7.2. Notices. All notices, requests, waivers and other communications made pursuant to this Agreement shall be in writing and shall be deemed to have been effectively given (a) when personally delivered to the party to be notified; (b) when sent by confirmed facsimile to the party to be notified at the number set forth below; (c) three Business Days after deposit in the United States mail postage prepaid by certified or registered mail return receipt requested and addressed to the party to be notified as set forth below; or (d) one Business Day after deposit with a national overnight delivery service, postage prepaid, addressed to the party to be notified as set forth below with next-business-day delivery guaranteed, in each case as follows:

(i) in the case of any Stockholder other than the Stockholders listed in this Section 7.2, to such Stockholder at its address or facsimile number set forth in the initial stock ledger of the Corporation;

(ii) in the case of the Corporation, to:

Ampex Corporation
c/o Hillside Capital Incorporated
405 Park Avenue
12th Floor
New York, NY 10022
Ph: (212) 935-6090
Fax: (212) 759-4831

Facsimile No.: (212) 759-4831
Attn: Raymond F. Weldon

(iii) in the case of the Hillside Investors:

Hillside Capital Incorporated
405 Park Avenue
12th Floor
New York, NY 10022
Ph: (212) 935-6090
Fax: (212) 759-4831

Facsimile No.: (212) 759-4831
Attn: Raymond F. Weldon

A party may change its address for purposes of notice hereunder by giving 10 days' notice of such change to all other parties in the manner provided in this Section 7.2.

SECTION 7.3. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the respective successors and assigns of the parties hereto.

SECTION 7.4. Entire Agreement. This Agreement supersedes all prior discussions and agreements among any of the parties hereto (and their Affiliates) with respect to the subject matter hereof and contains the sole entire understanding of the parties with respect to the subject matter hereof.

SECTION 7.5. Amendment. This Agreement may be amended, supplemented or modified only by a written instrument duly executed by or on behalf of at least the holders of a majority of the outstanding Shares and delivered to each of the Stockholders in accordance with the notice procedures set forth above in Section 7.2.

SECTION 7.6. No Third Party Beneficiary. The terms and provisions of this Agreement are intended solely for the benefit of each party hereto and its successors and permitted assigns, and it is not the intention of the parties to confer third-party beneficiary rights upon any other Person.

SECTION 7.7. Deemed Execution. On the Effective Date, pursuant to Section 1.42 of the Plan, the Corporation and each holder of New Common Stock (as defined in the Plan) shall be deemed to have entered into this Agreement.

SECTION 7.8. Headings. The headings of the various sections of this Agreement have been inserted for convenience of reference only and shall not be deemed to be a part of this Agreement.

SECTION 7.9. Governing Law; Consent to Jurisdiction and Service of Process. This Agreement shall be governed by and construed in accordance with the laws of the State of New York, without regard to its conflicts of law doctrine. Each party hereby submits to the exclusive jurisdiction of the United States District Court for the Southern District of New York and of any New York State Court sitting in the City of New York and any judicial proceeding brought against any of the parties on any dispute arising out of this Agreement or any matter related hereto shall be brought in such courts. Each party hereby irrevocably waives, to the fullest extent permitted by law, any objection it may have or hereafter have to the laying of the venue of any such proceeding brought in such a court and any claim that any such proceeding brought in such a court has been brought in an inconvenient forum. Each party hereby consents to process being served in any such proceeding by the mailing of a copy thereof by registered or certified mail, postage prepaid, to the address specified in Section 7.2, or in any other manner permitted by law. EACH PARTY HERETO HEREBY KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY WAIVES ANY RIGHTS IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY SUCH ACTION OR PROCEEDING.

SECTION 7.10. Injunctive Relief. It is hereby agreed and acknowledged that it will be impossible to measure in money the damages that would be suffered if the parties to this Agreement fail to comply with any of the obligations imposed on them by this Agreement and that in the event of any such failure, an aggrieved Person will be irreparably damaged and will not have an adequate remedy at law. Any such Person shall, therefore, be entitled to injunctive relief, including specific performance, to enforce such obligations, and if any action should be brought in equity to enforce any of the provisions of this Agreement, none of the parties hereto shall raise the defense that there is an adequate remedy at law. The parties hereby waive, and cause their respective representatives to waive, any requirement for the securing or posting of any bond in connection with any action brought for injunctive relief hereunder.

SECTION 7.11. Severability. The invalidity or unenforceability of any provisions of this Agreement in any jurisdiction shall not affect the validity, legality or enforceability of the remainder of this Agreement in such jurisdiction or the validity, legality or enforceability of any provision of this Agreement in any other jurisdiction, it being intended that all rights and obligations of the parties hereunder shall be enforceable to the fullest extent permitted by law.

SECTION 7.12. Recapitalization, etc. In the event that any capital stock or other securities are issued in respect of, in exchange for, or in substitution of, shares of capital stock of the Corporation by reason of any reorganization, recapitalization, reclassification, merger, consolidation, spin-off, partial or complete liquidation, stock dividend, split-up, sale of assets, distribution to stockholders or combination of Shares or any other change in the Corporation' s capital structure, appropriate adjustments shall be made to the provisions of this Agreement so as to fairly and equitably preserve, as far as practicable, the original rights and obligations of the parties hereto under this Agreement.

AMPEX CORPORATION

By: /s/ Joel D. Talcott
Name: Joel D. Talcott
Title: Vice President & Secretary

HILLSIDE CAPITAL INCORPORATED

By: /s/ Raymond F. Weldon
Name: Raymond F. Weldon
Title: Managing Director

LIST OF CERTAIN STOCKHOLDERS

Hillside Capital Incorporated [_____] Shares

[Others – to come]

LIST OF CERTAIN INVESTOR GROUPS

Hillside Investors

Hillside Capital Incorporated

Non-Hillside Investors

Certificate of Incorporation of the Corporation

Bylaws of the Corporation

2

Form of Certificate of Designations

EXHIBIT 4.3

AMPEX CORPORATION

Issuer

12% Senior Secured Notes

Due 2009

AMENDED AND RESTATED INDENTURE

Dated as of October 3, 2008

U.S. BANK NATIONAL ASSOCIATION

Trustee

TABLE OF CONTENTS

		Page
ARTICLE 1	DEFINITIONS AND INCORPORATION BY REFERENCE	1
SECTION 1.01	Definitions	1
SECTION 1.02	Other Definitions	15
SECTION 1.03	Incorporation by Reference of Trust Indenture Act	16
SECTION 1.04	Rules of Construction	16
ARTICLE 2	THE SECURITIES	17
SECTION 2.01	Form and Dating	17
SECTION 2.02	Execution and Authentication	17
SECTION 2.03	Registrar and Paying Agent	18
SECTION 2.04	Paying Agent To Hold Money in Trust	18
SECTION 2.05	Securityholder Lists	18
SECTION 2.06	Transfer and Exchange	19
SECTION 2.07	Restrictive Legends	19
SECTION 2.08	Book Entry Provisions for Global Securities	20
SECTION 2.09	Special Transfer Provisions	21

SECTION 2.10 Replacement Securities 22

SECTION 2.11 Outstanding Securities 22

SECTION 2.12 Temporary Securities 23

SECTION 2.13 Cancellation 23

SECTION 2.14 Additional Securities 23

SECTION 2.15 Defaulted Interest 23

SECTION 2.16 CUSIP Numbers 23

ARTICLE 3 AMORTIZATION FROM EXCESS FLOW; APPLICATION OF DISTRIBUTIONS FROM INTERCREDITOR AGREEMENT; PREPAYMENT UPON EQUITY ISSUANCE 24

SECTION 3.01 General 24

SECTION 3.02 Application of Excess Cash Flow 24

SECTION 3.03 Obligation to Pay Securities in Cash 24

SECTION 3.04 Application of Distributions from Intercreditor Agreement 24

SECTION 3.05 Prepayment Upon Equity Issuance 24

SECTION 3.06 Prepayment Upon an Asset Sale 25

SECTION 3.07 Prepayments to be made pro rata 25

TABLE OF CONTENTS

		Page
ARTICLE 4	REDEMPTION	25
SECTION 4.01	Notices to Trustee	25
SECTION 4.02	Selection of Securities To Be Redeemed	25
SECTION 4.03	Notice of Redemption	25
SECTION 4.04	Effect of Notice of Redemption	26
SECTION 4.05	Deposit of Redemption Price	26
SECTION 4.06	Securities Redeemed in Part	26
ARTICLE 5	COVENANTS	27
SECTION 5.01	Payment of Securities	27
SECTION 5.02	SEC Reports	27
SECTION 5.03	Limitation on Indebtedness	28
SECTION 5.04	Limitation on Restricted Payments	30
SECTION 5.05	Limitation on Asset Sales; Equity Issuances	30
SECTION 5.06	Limitation on Liens	31
SECTION 5.07	Limitation on Dividends and Other Payment Restrictions Affecting Restricted Subsidiaries	31

SECTION 5.08 Limitation on Transactions with Affiliates 32

SECTION 5.09 Limitation on Designation of Unrestricted Subsidiaries 33

SECTION 5.10 Change of Control 33

SECTION 5.11 Compliance Certificate: Notice of Defaults 34

SECTION 5.12 Further Instruments and Acts 34

SECTION 5.13 Hillside Credit Agreement 35

SECTION 5.14 Taxes 35

SECTION 5.15 Business Activities 35

SECTION 5.16 Corporate Existence 36

SECTION 5.17 Additional Note Guarantees 36

SECTION 5.18 No Senior or Pari Passu Indebtedness 36

ARTICLE 6 RESTRICTIONS ON MERGER 36

ARTICLE 7 DEFAULTS AND REMEDIES 37

SECTION 7.01 Events of Default 37

SECTION 7.02 Acceleration 39

SECTION 7.03 Other Remedies 39

SECTION 7.04
Waiver of Past Defaults 39

SECTION 7.05
Control by Majority 40

TABLE OF CONTENTS

		Page
SECTION 7.06	Limitation on Suits	40
SECTION 7.07	Rights of Holders To Receive Payment	40
SECTION 7.08	Collection Suit by Trustee	40
SECTION 7.09	Trustee May File Proofs of Claim	41
SECTION 7.10	Priorities	41
SECTION 7.11	Undertaking for Costs	41
SECTION 7.12	Waiver of Stay or Extension Laws	41
ARTICLE 8 TRUSTEE		42
SECTION 8.01	Duties of Trustee	42
SECTION 8.02	Rights of Trustee	43
SECTION 8.03	Individual Rights of Trustee	43
SECTION 8.04	Trustee’ s Disclaimer and Direction	43
SECTION 8.05	Notice of Default	44
SECTION 8.06	Reports by Trustee to Holders	44
SECTION 8.07	Compensation and Indemnity	44

SECTION 8.08 Replacement of Trustee 44

SECTION 8.09 Successor Trustee by Merger 45

SECTION 8.10 Eligibility; Disqualification 46

SECTION 8.11 Preferential Collection of Claims Against Corporation 46

ARTICLE 9 SATISFACTION AND DISCHARGE OF INDENTURE 46

SECTION 9.01 Discharge of Liability on Securities; Defeasance 46

SECTION 9.02 Conditions to Defeasance 47

SECTION 9.03 Application of Trust Money 48

SECTION 9.04 Repayment to Corporation 48

SECTION 9.05 Indemnity for Government Obligations 48

SECTION 9.06 Reinstatement 48

ARTICLE 10 AMENDMENTS, SUPPLEMENTS AND WAIVERS 48

SECTION 10.01 Without Consent of Holders 48

SECTION 10.02 With Consent of Holders 49

SECTION 10.03 Compliance with Trust Indenture Act 50

SECTION 10.04 Revocation and Effect of Consents 50

SECTION 10.05
Notation on or Exchange of Securities 51

SECTION 10.06
Trustee To Sign Amendments 51

SECTION 10.07
Payment for Consent 51

TABLE OF CONTENTS

		Page
ARTICLE 11	CONCERNING THE COLLATERAL	51
SECTION 11.01	Security Agreement	51
SECTION 11.02	Payment of Expenses	52
SECTION 11.03	Opinions as to Recording, etc.	52
SECTION 11.04	Release of Collateral; Additional Liens	53
SECTION 11.05	Certificates and Opinions of Counsel	54
SECTION 11.06	Certificates of the Trustee	54
SECTION 11.07	Authorization of Actions to be Taken by the Trustee under the Intercreditor Agreement	55
SECTION 11.08	Authorization of Receipt of Funds by the Trustee under the Security Agreement and Intercreditor Agreement	55
SECTION 11.09	Collateral Agent	55
ARTICLE 12	GUARANTEE	55
SECTION 12.01	Guarantees	55
SECTION 12.02	Limitation on Liability	57
SECTION 12.03	Successors and Assigns	58
SECTION 12.04	No Waiver	58

SECTION 12.05 Modification 58

SECTION 12.06 Waiver of Subrogation 58

SECTION 12.07 Release of Subsidiary Guarantor 59

SECTION 12.08 Contribution 59

SECTION 12.09 Waiver of Stay, Extension or Usury Laws 59

ARTICLE 13 MISCELLANEOUS 60

SECTION 13.01 Trust Indenture Act Controls 60

SECTION 13.02 Notices 60

SECTION 13.03 Communication by Holders with Other Holders 60

SECTION 13.04 Certificate and Opinion as to Conditions Precedent 61

SECTION 13.05 Statements Required in Certificate or Opinion 61

SECTION 13.06 When Treasury Securities Disregarded 61

SECTION 13.07 Rules by Trustee, Paying Agent and Registrar 61

SECTION 13.08 Legal Holidays 61

SECTION 13.09 Governing Law 62

		Page
SECTION 13.10		
	No Recourse Against Others	62
SECTION 13.11		
	Successors	62
SECTION 13.12		
	Counterparts	63

CROSS-REFERENCE TABLE

TIA Section	Indenture Section
310(a)(1)	SECTION 8.10
(a)(2)	SECTION 8.10
(a)(3)	N.A.
(a)(4)	N.A.
(b)	SECTION 8.08; SECTION 8.10; SECTION 13.03
(c)	N.A.
311(a)	SECTION 8.10
(b)	SECTION 8.10
(c)	N.A.
312(a)	SECTION 2.04
313(a)	SECTION 8.05
(b)(1)	N.A.
(b)(2)	SECTION 8.05
(d)	SECTION 8.05
314(a)	SECTION 5.02; SECTION 13.03
(b)	SECTION 13.03
(c)(1)	SECTION 13.05
(c)(2)	SECTION 10.05
(c)(3)	N.A.
(d)	N.A.
(e)	SECTION 13.06
(f)	SECTION 5.06
315(a)	SECTION 8.01
(b)	SECTION 8.04; SECTION 13.03
(c)	SECTION 8.01
(d)	SECTION 8.01
(e)	SECTION 7.11
316(a)(last sentence)	SECTION 13.06
(a)(1)(A)	SECTION 7.04
(a)(1)(B)	SECTION 7.04
(a)(2)	N.A.
(b)	SECTION 7.07
317(a)(1)	SECTION 7.07
(a)(2)	SECTION 7.08
(b)	SECTION 2.04
318(a)	SECTION 13.01

N.A. means Not Applicable.

Note: This Cross-Reference Table shall not, for any purpose, be deemed to be part of the Indenture.

AMENDED AND RESTATED INDENTURE dated as of October 3, 2008 (the "Amended and Restated Indenture"), by and among AMPEX CORPORATION, a Delaware corporation ("Corporation"), the Subsidiary Guarantors party hereto and U.S. BANK NATIONAL ASSOCIATION, as successor trustee to State Street Bank and Trust Company ("Trustee").

WHEREAS, the Corporation and the Trustee are parties to the Indenture, dated February 28, 2002 (as amended by the First Amendment to the Indenture dated as of March 2, 2004) (the "Existing Indenture"), pursuant to which the Corporation issued $50,000,000 in principal amount of 12% Senior Secured Notes Due 2008 (the "Existing Senior Secured Notes"). As of the date hereof, before giving effect to the Effective Date (as defined herein), $6,796,584.57 in principal amount of Existing Senior Secured Notes are outstanding.

WHEREAS pursuant to the First Modified Third Amended Joint Chapter 11 Plan of Reorganization for Ampex Corporation and its Affiliated Debtors that was filed with the United States Bankruptcy Court, Southern District of New York on July 9, 2008 and confirmed pursuant to an Order of such court on July 31, 2008 (the "Plan of Reorganization"), the Corporation has agreed to issue Securities (as defined herein) and Subsidiary Guarantors have agreed to guarantee the Securities, all on the terms and conditions defined herein;

NOW THEREFORE, the Corporation, Subsidiary Guarantors and the Trustee agree as follows for the benefit of each other and for the equal and ratable benefit of the Holders of the Corporation' s 12% Senior Secured Notes Due 2009 (the "Securities") issued under this Amended and Restated Indenture:

ARTICLE 1

Definitions and Incorporation by Reference

SECTION 1.01 Definitions

"Affiliate" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, "control" (including, with correlative meanings, the terms "controlling," "controlled by" and "under common control with") of any Person means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by agreement or otherwise.

"Ampex Group" means the Corporation and any domestic subsidiary (whether or not incorporated) under Common Control with the Corporation, and any successor thereto.

"Asset Sale" means (i) any sale, lease, conveyance or other disposition by the Corporation or any Restricted Subsidiary (other than to the Corporation or a Subsidiary Guarantor and other than directors' qualifying shares) of any assets (including by way of a sale-and-leaseback) other than in the ordinary course of business or (ii) the issuance or sale of Capital Stock (other than Disqualified Stock) of any Restricted Subsidiary, provided, however, the following transactions shall not be deemed Asset Sales to the extent they do not trigger any mandatory prepayment under any other Material Indebtedness of the Corporation or any Restricted Subsidiary:

(i) the Corporation or any Restricted Subsidiary may sell Capital Stock or Indebtedness or other securities of an Unrestricted Subsidiary;

(ii) the Corporation and any Restricted Subsidiary may (x) convey, sell, lease, transfer, assign or otherwise dispose of assets pursuant to and in accordance with the provisions of Article 6 of this Indenture and (y) make Restricted Payments permitted by the provisions of Section 5.04 of this Indenture;

(iii) the Corporation and any Restricted Subsidiary may create or assume Liens (or permit any foreclosure thereon) securing Indebtedness to the extent that such Lien does not violate the provisions of Section 5.06 of this Indenture.

"Average Life" means, as of the date of determination, with respect to any Indebtedness or Preferred Stock, the quotient obtained by dividing (i) the sum of the products of numbers of years (rounded upwards to the nearest month) from the date of determination to the dates of each successive scheduled principal payment of such Indebtedness or redemption or similar payment with respect to such Preferred Stock multiplied by the amount of such payment by (ii) the sum of all such payments.

"Board of Directors" means the Board of Directors of the Corporation or any duly authorized committee thereof.

"Business Day" means each day which is not a Legal Holiday.

"California Tax Claims" means those certain (i) proofs of claim numbered 586, 587, 588, 589, 590, 591 and 592 filed on September 26, 2008, by the State of California Franchise Tax Board in the aggregate amount of $1,762,335.02 against the Corporation and the Subsidiary Guarantors, which are inclusive of (ii) claims asserted by the State of California Franchise Tax Board against the Corporation and the Subsidiary Guarantors in that certain letter dated September 24, 2008.

"Capital Lease Obligation" means an obligation that is required to be classified and accounted for as a capital lease for financial reporting purposes in accordance with GAAP, and the amount of Indebtedness represented by such obligation shall be the capitalized amount of such obligation determined in accordance with GAAP; and the Stated Maturity thereof shall be the date of the last payment of rent or any other amount due under such lease prior to the first date upon which such lease may be terminated by the lessee without payment of a penalty.

"Capital Expenditures" means, for any period, expenditures (including the aggregate amount of Capital Lease Obligations incurred during such period) made by the Corporation or any of its Subsidiaries to acquire or construct fixed assets, plant and equipment (including renewals, improvements and replacements, but excluding repairs) during such period computed in accordance with GAAP.

"Capital Stock" of any Person means and includes any and all shares, interests, rights to purchase, warrants, options, participations or other equivalents of or interests in equity (however designated) of such Person, including Preferred Stock, but excluding any debt securities convertible into such equity.

"Cash Equivalents" means (i) marketable direct obligations issued by, or unconditionally guaranteed by, the United States Government or issued by any agency thereof and backed by the full faith and credit of the United States, (ii) marketable direct obligations issued by any state of the United States of America or any political subdivision of any such state or any public instrumentality thereof maturing within one year from the date of acquisition thereof and, at the time of acquisition, having one of the two highest ratings obtainable from either Standard & Poor' s Rating Services or Moody' s Investors Service, Inc.; (iii) commercial paper maturing no more than one year from the date of creation thereof and, at the time of acquisition, having a rating of at least A-1 from Standard & Poor' s Rating Services or at least P-1 from Moody' s Investors Service, Inc.; (iv) certificates of deposit or bankers' acceptances (or, with respect to foreign banks, similar instruments) maturing within one year from the date of acquisition thereof issued by any bank organized under the laws of the United States of America or any state thereof or the District of Columbia or any member of the European Economic Community or any U.S. branch of a foreign bank having at the date of acquisition thereof combined capital and surplus of not less than $200 million; (v) repurchase obligations with a term of not more than seven days for underlying securities of the types described in clause (i) above entered into with any bank meeting the qualifications specified in clause (iv) above; and (vi) investments in money market funds which invest substantially all their assets in securities of the types described in clauses (i) through (v) above.

"Change of Control" means the occurrence of any of the following events: (i) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act), other than one or more Permitted Holders, is or becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act except that for purposes of this clause (i) such person or group shall be deemed to have "beneficial ownership" of all shares that any such person or group has the right to acquire, whether such right is exercisable immediately or only after the passage of time), directly or indirectly, of more than 50% of the total voting power of the outstanding Voting Stock of the Corporation; (ii) individuals who on the Issue Date constituted the Board of Directors (together with any new directors whose election by such Board of Directors or whose nomination for election by the shareholders of the Corporation was approved by a majority of the directors of the Corporation then still in office who were either directors on the Issue Date or whose election or nomination for election was previously so approved) cease for any reason to constitute a majority of the Board of Directors then in office; (iii) the adoption of a plan relating to the liquidation or dissolution of the Corporation; (iv) the sale, lease or other transfer (in one transaction or a series of related transactions) of all or substantially all of the assets of the Corporation and its Restricted Subsidiaries to any person or group (as so defined), excluding any such sale, lease or other transfer (x) to or among the Corporation' s Restricted Subsidiaries and (y) to any Person that is controlled by the Permitted Holders or (v) the occurrence of a "Change in Control" as such term is defined in the Hillside Credit Agreement.

"Collateral" means all the collateral provided for under and described in the Security Agreement.

"Collateral Agent" means Hillside as collateral agent under the Security Agreement, and its successors as collateral agents thereunder.

"Common Control" shall have the same meaning as defined in section 4001(a)(14)(A) of ERISA and under rules found in 29 C.F.R. §4001.3.

"Consolidated EBITDA" means Consolidated Net Income plus (a) interest expense, (b) expense for taxes paid or accrued net of refundable taxes, (c) depreciation expense, (d) amortization expense, (e) other accrued non-cash charges, (f) extraordinary non-cash losses incurred other than in the ordinary course of business, minus, to the extent included in Consolidated Net Income, extraordinary non-cash gains realized other than in the ordinary course of business. Unless otherwise specified, inputs used in the calculation of Consolidated EBITDA shall be determined in accordance with GAAP in a consistently applied manner.

"Consolidated Net Income" means, for any period, the net income of the Corporation and its Subsidiaries, determined on a consolidated basis for such period, in accordance with GAAP.

"Corporate Trust Office" of the Trustee shall be at the address of the Trustee specified in Section 13.02 of this Indenture or such other address as to which the Trustee gives notice to the Corporation.

"Corporation" means the party named as such in this Indenture until a successor replaces it and, thereafter, means the successor.

"Currency Agreement Obligations" means the obligations of any Person under any foreign exchange contract, currency swap agreement or other similar agreement to protect such Person against fluctuations in currency values.

"Default" means any event which is, or after notice or passage of time or both would be, an Event of Default.

"Depository" means The Depository Trust Company, New York, New York, or any successor thereto registered under the Exchange Act or other applicable statute or regulation.

"Disqualified Stock" means (a) any Preferred Stock of any Restricted Subsidiary, (b) any Capital Stock which by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable) or upon the happening of any event (i) matures or is mandatorily redeemable pursuant to a sinking fund obligation or otherwise, or (ii) is redeemable at the option of the holder thereof (other than upon the occurrence of an "Asset Sale" or a change of control of the Corporation in circumstances where the holders of the Securities would have similar rights), in whole or in part, in each case on or prior to the 91st day after the Stated Maturity of the Securities and (c) any Preferred Stock guaranteed by a Restricted Subsidiary, including without limitation the New Preferred Stock.

"Domestic Subsidiary" means any Restricted Subsidiary of the Corporation that was formed under the laws of the United States or any state of the United States or the District of Columbia or that guarantees or otherwise provides direct credit support for any Indebtedness of the Corporation.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time.

"Effective Date" means the date on which this Amended and Restated Indenture becomes effective pursuant to the final order of the Bankruptcy Court confirming the Plan of Reorganization and the fulfillment of the conditions to consummation of the Amended and Restated Indenture specified in the letter agreement dated as of October 3, 2008 between the Corporation, the Trustee and the Subsidiary Guarantors party thereto.

"Equity Issuance" means (a) any issuance or sale by the Corporation or any Restricted Subsidiary after the Effective Date of (i) any of its Capital Stock, (ii) any warrants or options exercisable in respect of its Capital Stock (other than any warrants or options issued to directors, officers or employees of the Corporation or any of its Subsidiaries pursuant to employee benefit plans established in the ordinary course of business and any Capital Stock of the Corporation issued upon the exercise of such warrants or options) or (iii) any other security or instrument representing an equity interest (or the right to obtain any equity interest) in the Corporation or any Restricted Subsidiary or (b) the receipt by the Corporation or any Restricted Subsidiary after the Effective Date of any capital contribution (whether or not evidenced by any equity security issued by the recipient of such contribution); provided that Equity Issuance shall not include (w) any such issuance or sale by any Restricted Subsidiary of the Corporation to the Corporation or any Subsidiary Guarantor of the Corporation, (x) any capital contribution by the Corporation or any Wholly-Owned Subsidiary of the Corporation to any Subsidiary Guarantor of the Corporation, or (y) any issuance of New Preferred Stock pursuant to the Hillside Agreement or (z) any such issuance or sale to directors, officers or employees of the Corporation or any Subsidiary of the Corporation pursuant to any benefit plan or arrangement approved by the Board of Directors of the Corporation.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Excess Cash Flow" means, without duplication, with respect to any Measuring Period, Consolidated EBITDA for such Measuring Period, minus (a) taxes paid in cash (net of refunds) with respect to such Measuring Period, (b) consolidated Capital Expenditures up to the limit provided in Section 7.05(b) of the Hillside Credit Agreement made in such Measuring Period that are not financed with the "Loans" under the Hillside Credit Agreement (as such term is defined therein) or other Indebtedness, (c) scheduled and any other required principal payments on Indebtedness paid during such Measuring Period, (d) cash consolidated interest expense paid by the Corporation during such Measuring Period, (e) reasonable and necessary increases in net working capital during such Measuring Period and (f) actual cash pension plan payments made by the Corporation during such Measuring Period that are not financed with proceeds of Tranche D Loans under the Hillside Credit Agreement or Preferred Stock issued under the Hillside Agreement; plus (x) decreases in net working capital during such Measuring Period and (y) pension plan expenses as deducted from revenues in determining Consolidated Net Income for such Measuring Period.

"Excess Cash on Hand" means, as of any Measuring Date, the aggregate amount of cash and cash equivalents held by the members of the Ampex Group and any Foreign Subsidiary (whether or not incorporated) under Common Control with the Corporation as of such Measuring Date in excess of the Excess Cash on Hand Threshold, provided, that for the purposes of determining the amount of any cash and cash equivalents held by any Foreign Subsidiary, any amounts required to be paid during the Measuring Period ended on such Measuring Date by such Foreign Subsidiary for the purposes of (i) making any pension plan contributions required in the jurisdiction of incorporation of the Foreign Subsidiary, (ii) meeting the reasonable costs (if any) associated with the repatriation of any cash or cash equivalents to any member of the Ampex Group; and (iii) funding the ordinary and necessary business needs of such Foreign Subsidiary shall not be included.

"Excess Cash on Hand Threshold" means, as of any Measuring Date, $4,000,000 plus a reserve for the aggregate amount of expected pension payments by the Corporation due within six (6) months of such Measuring Date.

"Existing Indebtedness" means Indebtedness of the Corporation or its Restricted Subsidiaries in existence or incurred pursuant to any loan or other agreement in effect on the Issue Date plus any premium or interest accrued thereon, as set forth on Schedule B hereto.

"Fiscal Year" means the fiscal year of the Corporation and its Subsidiaries for accounting and tax purposes, ending on December 31 of each year.

"Foreign Subsidiary" means any Subsidiary organized under the laws of any jurisdiction other than the United States of America or a State thereof which, if such Subsidiary were to become a Subsidiary Guarantor hereunder, the Corporation pursuant to a resolution of the Board of Directors has determined would result in adverse tax consequences to any of the Corporation or a Subsidiary Guarantor under Section 956 of the Code.

"GAAP" means generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as have been approved by a significant segment of the accounting profession, as in effect from time to time.

"Guarantee" means any obligation, contingent or otherwise, of any Person guaranteeing any Indebtedness of any Person (including, without limitation, obligations to purchase assets, securities or services, to take-or-pay or to maintain financial statement conditions or arrangements or agreements entered into for the purpose of assuring the obligee of such Indebtedness of the payment thereof or to protect such obligee against loss in respect thereof, in whole or in part); provided, however, that the term "Guarantee" shall not include endorsements of negotiable instruments for collection or deposit in the ordinary course of business, or contingent obligations in connection with the sale or discount of accounts receivable and similar paper. The term "Guarantee" used as a verb has a corresponding meaning.

"Holder" or "Securityholder" means the Person in whose name a Security is registered on the Registrar' s books.

"Hillside" means Hillside Capital Incorporated, a Delaware corporation.

"Hillside Agreement" means the Amended and Restated Hillside-Ampex/Sherborne Agreement, dated as of the Effective Date, by and among the Corporation, Hillside and Sherborne Group Incorporated, a Delaware corporation, and certain Affiliates of such corporations, as in effect on the date hereof or as the same may be amended, supplemented or modified from time to time in accordance with the terms thereof.

"Hillside Credit Agreement" means that certain Credit Agreement, dated as of the Effective Date, by and among Hillside as lender, the Corporation, as Borrower, and Ampex Data Systems Corporation, Ampex Data International Corporation, Ampex International Sales Corporation and Ampex Finance Corp. as guarantors.

"Hillside Documents" means the Hillside Agreement and the Hillside Credit Agreement.

"Indebtedness" means, with respect to any Person, without duplication, (i) the principal of and the premium (if any) on all indebtedness of such Person for money borrowed or which is evidenced by a note, bond, debenture or similar instrument for payment of which such Person is liable, (ii) all obligations of such Person under any conditional sale, title retention or similar agreement in respect of the deferred or unpaid purchase price of property or services acquired by such Person, (iii) all Capital Lease Obligations of such Person, (iv) all obligations of such Person in respect of letters of credit or bankers' acceptance issued or created for the account of such Person, (v) all net obligations of such Person under Interest Rate Agreement Obligations or Currency Agreement Obligations of such Person, (vi) all liabilities of others of the kind described in the preceding clauses (i), (ii) or (iii) secured by any Lien on any property owned by such Person even though such Person has not assumed or become liable for the payment of such liabilities; provided, however, the amount of such Indebtedness for purposes of this definition shall be limited to the lesser of the amount of Indebtedness secured by such Lien or the value of the property subject to such Lien, (vii) all Disqualified Stock issued by such Person and all Preferred Stock issued by a Restricted Subsidiary of such Person, and (viii) to the extent not otherwise included, any Guarantee by such Person of any other Person' s Indebtedness or other obligations described in clauses (i) through (vii) above. "Indebtedness" of the Corporation and the Restricted Subsidiaries shall not include (i) trade payables incurred in the ordinary course of business, and (ii) contingent obligations incurred in connection with the sale or discount of accounts receivable and similar paper in the ordinary course of business. The principal amount outstanding of any Indebtedness issued with original issue discount is the accreted value of such Indebtedness and Indebtedness shall not include any liability for federal, state, local or other taxes.

"Indenture" means this Amended and Restated Indenture, as amended or supplemented from time to time.

"Insolvency or Liquidation Proceeding" means:

(1) any case commenced by or against the Corporation or any Subsidiary under Title 11 of the U.S. Code or any similar federal or state law for the relief of debtors, any other proceeding for the reorganization, recapitalization or adjustment or marshalling of the assets or liabilities of the Corporation or any Subsidiary, any receivership or assignment for the benefit of creditors relating to the Corporation or any Subsidiary or any similar case or proceeding relative to the Corporation or any Subsidiary or its creditors, as such, in each case whether or not voluntary;

(2) any liquidation, dissolution, marshalling of assets or liabilities or other winding up of or relating to the Corporation or any Subsidiary, in each case whether or not voluntary and whether or not involving bankruptcy or insolvency; or

(3) any other proceeding of any type or nature in which substantially all claims of creditors of the Corporation or any Subsidiary are determined and any payment or distribution is or may be made on account of such claims.

"Intercreditor Agreement" means that certain Intercreditor Agreement, by and among the Collateral Agent, Hillside, as Second Lien Claimholder, U.S. Bank National Association, as Trustee on behalf of the Securityholders as First Lien Claimholders and the Corporation, dated as of the Effective Date, as the same may be amended, supplemented or modified from time to time in accordance with the terms thereof and hereof.

"Interest Rate Agreement Obligations" means, with respect to any Person, the Obligations of such Person under (i) interest rate swap agreements, interest rate cap agreements and interest rate collar agreements, and (ii) other agreements or arrangements designed to protect such Person against fluctuations in interest rates.

"Investment" in any Person means any direct or indirect advance, loan or other extension of credit (including, without limitation, by way of Guarantee or similar arrangement but excluding advances to customers and employees in the ordinary course of business that are recorded as accounts receivable on the balance sheet of the lender) to, capital contribution (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others) to, or any purchase or acquisition of capital stock, Indebtedness or other similar instruments issued by, such Person and shall include the designation of a Restricted Subsidiary as an Unrestricted Subsidiary.

"Issue Date" means the date on which the Securities are first issued under the Indenture.

"Lien" means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law (including any conditional sale or other title retention agreement, any lease in the nature thereof, any option or other agreement to sell or give a security interest in any asset and any filing of, or agreement to give, any financing statement under the Uniform Commercial Code (or equivalent statutes) of any jurisdiction).

"Material Adverse Effect" means a material adverse effect on (a) the business, assets, operations, prospects or condition, financial or otherwise, of the Corporation and its Subsidiaries taken as a whole, (b) the ability of the Corporation or any Subsidiary Guarantor to perform any of its obligations under this Indenture or the Security Agreement or (c) the rights of or benefits available to the Holders under this Indenture or the Security Agreement, provided, however, it is acknowledged and agreed that for so long as the Corporation and the Subsidiary Guarantors are contesting the Unresolved Governmental Claims in good faith using best efforts, the existence of the Unresolved Governmental Claims and proceedings related thereto shall not be deemed to create such material adverse effect. It is hereto further acknowledged and agreed that if the Corporation or any Subsidiary Guarantor is not, at all times, contesting the Unresolved Governmental Claims in good faith using best efforts, the proviso in the preceding sentence shall not constitute a waiver of any Default or Event of Default that may arise from (i) failure to pay any Taxes that are the subject of the Unresolved Governmental Claims when due, or (ii) the filing of a Lien for non-payment of such Taxes, in either case, in violation of the Indenture. Notwithstanding the foregoing, so long as the Securities are outstanding, the Corporation and its Subsidiaries shall in no event pay more than $700,000 in the aggregate in respect of the Unresolved Governmental Claims.

"Material Indebtedness" means Indebtedness of the Corporation under this Indenture and the Hillside Documents.

"Maturity Date" means October 3, 2009.

"Measuring Date" means the last day of a Measuring Period.

"Measuring Period" means each fiscal year of the Corporation (ending December 31 of each calendar year), provided that the initial Measuring Period shall begin on the date of this Indenture and end on December 31, 2008.

"Net Available Cash" means, with respect to any Asset Sale by any Person, the aggregate cash or Cash Equivalent proceeds received by such Person (including any cash payments received by way of deferred payment pursuant to, or monetization of, a note or installment receivable or otherwise, but only as and when received) in connection with such Asset Sale, net of (i) the amount of any Indebtedness (including Disqualified Stock or Preferred Stock of a Subsidiary) to the extent required to be repaid by such Person or its Affiliates in connection with such Asset Sale to obtain the release of a Lien securing such Indebtedness which has priority over the Lien securing the Securities, plus (ii) all fees, commissions and other expenses incurred (including without limitation, the fees and expenses of legal counsel and investment banking, accounting, underwriting and brokerage fees and expenses) by such Person in connection with such Asset Sale, (iii) provision for taxes, including income taxes, attributable to the Asset Sale or attributable to required prepayments or repayments of Indebtedness with the proceeds of such Asset Sale, (iv) any amounts reasonably provided by the Corporation or any Restricted Subsidiary of the Corporation as a reserve in accordance with GAAP against any liabilities associated with such Asset Sale until such time as such reserve is no longer necessary (at which time any remaining amounts will become Net Available Cash to be allocated in accordance with Section 5.05), including, without limitation, pension and other post-employment benefit liabilities, liabilities related to environmental matters and liabilities under any indemnification obligations associated with such Asset Sale, and (v) any dividends or distributions or other amounts payable to holders of minority interests in a Restricted Subsidiary or other entity as a result of such Asset Sale.

"Net Proceeds," with respect to any issuance or sale of Capital Stock, means the proceeds, in cash, securities or property (with any securities or property valued at fair market value), of the issuance or sale net of attorneys' fees, accountants' fees, underwriters' or placement agents' fees, discounts or commissions and brokerage, consultant and other out of pocket fees and expenses incurred in connection with such issuance or sale and net of taxes paid or payable as a result of such issuance or sale.

"New Preferred Stock" means the shares of the Corporation' s 16% Cumulative Preferred Stock.

"Obligations" means any principal, interest, (including, to the extent legally permitted, all interest accrued thereon after the commencement of any Insolvency or Liquidation Proceeding at the rate, including any applicable post-default rate, even if such interest is not enforceable, allowable or allowed as a claim in such proceeding), penalties, fees, indemnifications, reimbursement obligations, damages and other liabilities payable under the documentation governing any Indebtedness.

"Officer" means the Chairman of the Board, the President, the Executive Vice President, any Senior Vice President, any Vice President, the Treasurer or the Secretary of the Corporation.

"Officers' Certificate" means a certificate signed by two Officers or by an Officer and an Assistant Treasurer or Assistant Secretary of the Corporation.

"Opinion of Counsel" means a written opinion from legal counsel who is acceptable to the Trustee. The counsel may be an employee of or counsel to the Corporation or the Trustee.

"Permitted Business" means the lines of business conducted by the Corporation and its Subsidiaries on the date of this Indenture and any businesses similar, incidental or ancillary thereto or that constitutes a reasonable extension or expansion thereof.

"Permitted Holders" means Hillside and its Affiliates.

"Permitted Investments" means:

(a) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America (or by any agency thereof to the extent such obligations are backed by the full faith and credit of the United States of America), in each case maturing within one year from the date of acquisition thereof;

(b) investments in commercial paper maturing within 270 days from the date of acquisition thereof and having, at such date of acquisition, the highest credit rating obtainable from Standard & Poor' s Ratings Services ("S&P") or from Moody' s Investors Services, Inc. ("Moody' s");

(c) investments in certificates of deposit, banker' s acceptances and time deposits maturing within 180 days from the date of acquisition thereof issued or guaranteed by or placed with, and money market deposit accounts issued or offered by, any domestic office of any commercial bank organized under the laws of the United States of America or any State thereof which has a combined capital and surplus and undivided profits of not less than $500,000,000;

(d) fully collateralized repurchase agreements with a term of not more than 30 days for securities described in clause (a) of this definition and entered into with a financial institution satisfying the criteria described in clause (c) of this definition; and

(e) money market funds that (i) comply with the criteria set forth in Securities and Exchange Commission Rule 2a-7 under the Investment Company Act of 1940, (ii) are rated "AAA" by S&P and "Aaa" by Moody' s and (iii) have portfolio assets of at least $5,000,000,000.

"Permitted Liens" means, with respect to any Person:

(1) pledges or deposits by such Person under worker' s compensation laws, unemployment insurance laws or similar legislation, or good faith deposits in connection with bids, tenders, contracts (other than for the payment of Indebtedness) or leases to which such Person is a party, or deposits to secure public or statutory obligations of such Person or deposits of cash or United States government bonds to secure surety or appeal bonds to which such Person is a party, or deposits as security for contested taxes or import duties or for the payment of rent, in each case Incurred in the ordinary course of business;

(2) Liens imposed by law, such as carriers' , warehousemen' s and mechanics' Liens, in each case for sums not yet due or being contested in good faith by appropriate proceedings and for which adequate reserves have been taken in accordance with GAAP or other Liens arising out of judgments or awards against such Person with respect to which such Person shall then be proceeding with an appeal or other proceedings for review and Liens arising solely by virtue of any statutory or common law provision relating to banker' s Liens, rights of set-off or similar rights and remedies as to deposit accounts or other funds maintained with a creditor depository institution; provided, however, that (A) such deposit account is not a dedicated cash collateral account and is not subject to restrictions against access by the Corporation in excess of those set forth by regulations promulgated by the Federal Reserve Board and (B) such deposit account is not intended by the Corporation or any Restricted Subsidiary to provide collateral to the depository institution;

(3) Liens for property taxes not yet subject to penalties for non-payment or which are being contested in good faith by appropriate proceedings and for which adequate reserves have been taken in accordance with GAAP;

(4) Liens in favor of issuers of surety bonds or letters of credit issued pursuant to the request of and for the account of such Person in the ordinary course of its business; provided, however, that such letters of credit do not constitute Indebtedness;

(5) minor survey exceptions, minor encumbrances, easements or reservations of, or rights of others for, licenses, rights-of-way, ingress, egress, parking, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning or other similar restrictions as to the use of real property or Liens incidental to the conduct of the business of such Person or to the ownership by such person of its properties which were not Incurred in connection with Indebtedness and which do not in the aggregate materially adversely affect the value of said properties or materially impair their use in the operation of the business of such Person;

(6) Liens securing any Purchase Money Obligations permitted under Section 5.03(h); provided, however, that the Lien may not extend to any other property owned by such Person or any of its Restricted Subsidiaries at the time the Lien securing such Purchase Money Obligations is Incurred;

(7) Liens under the Security Agreement;

(8) Liens existing on the Issue Date and described on Schedule C;

(9) Liens on property or shares of Capital Stock of another Person at the time such other Person becomes a Subsidiary of such Person; provided, however, that the Liens may not extend to any other property owned by such Person or any of its Restricted Subsidiaries and may not be incurred in anticipation of, or in connection with, such acquisition;

(10) Liens on property at the time such Person or any of its Subsidiaries acquires the property, including any acquisition by means of a merger or consolidation with or into such Person or a Subsidiary of such Person; provided, however, that the Liens may not extend to any other property owned by such Person or any of its Restricted Subsidiaries and may not be incurred in anticipation of, or in connection with, such acquisition;

(11) Liens securing Interest Rate Agreement Obligations and Currency Agreement Obligations that relate to Indebtedness that is permitted under this Indenture, and secured by a Lien on the same property securing such Interest Rate Agreement Obligations or Currency Agreement Obligations; and

(12) Liens to secure any Refinancing Indebtedness (or successive Refinancing Indebtedness) as a whole, or in part, of any Indebtedness secured by any Lien referred to in the foregoing clause (6), (8), (9) or (10); provided, however, that (A) such new Lien shall be limited to all or part of the same property and assets that secured or, under the written agreements pursuant to which the original Lien arose, could secure the original Lien and (B) the Indebtedness secured by such Lien at such time is not increased to any amount greater than the sum of (i) the outstanding principal amount or, if greater, committed amount of the Indebtedness described under clause (6), (8), (9) or (10) at the time of such refinancing and (ii) an amount necessary to pay any fees and expenses, including premiums, related to such refinancing, refunding, extension, renewal or replacement.

“Person” means any individual, corporation, partnership, joint venture, association, joint-stock corporation, limited liability corporation, trust, unincorporated organization or government or any agency or political subdivision thereof.

“Plan of Reorganization” has the meaning set forth in the recitals.

"Preferred Stock" as applied to the Capital Stock of any Person means Capital Stock of any class or classes (however designated) which is preferred as to the payment of dividends or distributions, or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such Person, over Capital Stock of any other class of such Person.

"Principal" of a Security means the principal of the Security plus the premium, if any, payable on the Security in connection with the transaction in question.

"Purchase Money Obligation" means any Indebtedness secured by a Lien on assets related to the business of the Corporation or the Restricted Subsidiaries, and any additions and accessions thereto, which are purchased or constructed by the Corporation or any Restricted Subsidiary at any time after the Issue Date; provided that (i) any security agreement or conditional sales or other title retention contract pursuant to which the Lien on such assets is created shall be entered into within 180 days after the purchase or substantial completion of the construction of such assets and shall at all times be confined solely to the assets so purchased or acquired, any additions and accessions thereto and any proceeds therefrom, (ii) at no time shall the aggregate principal amount of the outstanding Indebtedness secured thereby be increased, except in connection with the purchase of additions and accessions thereto and except in respect of fees and other obligations in respect of such Indebtedness and (iii)(A) the aggregate outstanding principal amount of Indebtedness secured thereby (determined on a per asset basis in the case of any additions and accessions) shall not at the time such security agreement is entered into exceed 100% of the purchase or construction price to the Corporation or any Restricted Subsidiary of the assets subject thereto or (B) the Indebtedness secured thereby shall be with recourse solely to the assets so purchased, constructed or acquired, any additions and accessions thereto and any proceeds therefrom.

"Record Date" means the 1st day of March, June, September or December immediately preceding a payment date specified in the Securities.

"Restricted Investment" means an Investment by the Corporation or a Restricted Subsidiary in any Subsidiary other than a Restricted Subsidiary.

"Restricted Payment" means (i) any dividend or other distribution declared or paid on any Capital Stock of the Corporation (other than dividends or distributions payable solely in Capital Stock (other than Disqualified Stock) of the Corporation or dividends or distributions payable to the Corporation or any Restricted Subsidiary and other than pro rata dividends or other distributions made by a Restricted Subsidiary that is not a Wholly Owned Subsidiary to minority stockholders (or owners of an equivalent interest in the case of a Subsidiary that is not a corporation)); (ii) any payment to purchase, redeem or otherwise acquire or retire for value any Capital Stock of the Corporation; (iii) any voluntary or optional payment to purchase, redeem, defease or otherwise acquire or retire for value any Indebtedness that is subordinated in right of payment to the Securities other than a purchase, redemption, defeasance or other acquisition or retirement for value that is paid for with the proceeds of Refinancing Indebtedness that is permitted under Section 5.03 of this Indenture; or (iv) any Restricted Investment.

“Restricted Subsidiary” means each direct or indirect Subsidiary of the Corporation other than an Unrestricted Subsidiary.

“Securities” means the Securities issued under this Indenture.

“Securities Act” means the Securities Act of 1933, as amended.

“Security Agreement” means the Security Agreement, dated as of the date of this Indenture, by and among the Corporation, the Grantors (as defined therein) and the Collateral Agent as the same may be amended, supplemented or modified from time to time in accordance with the terms thereof and hereof.

“Stated Maturity” means, with respect to any installment of interest or principal on any series of Indebtedness, the date on which the payment of interest or principal was scheduled to be paid in the documentation governing such Indebtedness as of the date of this Indenture, and will not include any contingent obligations to repay, redeem or repurchase any such interest or principal prior to the date originally scheduled for the payment thereof.

“Subordinated Indebtedness” means Indebtedness (including, without limitation, secured Indebtedness) of the Corporation or a Restricted Subsidiary which by its express terms is subordinated or junior in right of payment to the Securities.

“Subsidiary” of a Person means (i) any corporation more than 50% of the outstanding voting power of the Voting Stock of which is owned or controlled, directly or indirectly, by such Person or by one or more other Subsidiaries of such Person, or by such Person and one or more other Subsidiaries thereof, or (ii) any limited partnership of which such Person or any Subsidiary of such Person is a general partner, or (iii) any other Person (other than a corporation or limited partnership) in which such Person, or one or more other Subsidiaries of such Person, or such Person and one or more other Subsidiaries thereof, directly or indirectly, has more than 50% of the outstanding partnership or similar interests or has the power, by contract or otherwise, to direct or cause the direction of the policies, management and affairs thereof.

“Subsidiary Guarantee” means a Guarantee by a Subsidiary Guarantor of the Corporation’ s obligations with respect to the Securities.

“Subsidiary Guarantor” means each of:

(1) the Corporation’ s Domestic Subsidiaries on the date of this Indenture; and

(2) any other subsidiary of the Corporation that executes a Subsidiary Guarantee in accordance with the provisions of this Indenture; and their respective successors and assigns.

“TIA” means the Trust Indenture Act of 1939 (15 U.S.C.ss.ss.77aaa-77bbbb) as in effect on the date of this Indenture.

"Trustee" means the party named as such in this Indenture until a successor replaces it and, thereafter, means the successor.

"Trust Officer" means any officer or assistant officer of the Trustee in its Corporate Trust Department or with respect to a particular matter, any officer of the Trustee to whom such matter is referred because of such officer' s knowledge and familiarity with the particular subject.

"Uniform Commercial Code" means the New York Uniform Commercial Code as in effect from time to time.

"Unresolved Governmental Claims" means collectively, the California Tax Claims and that certain proof of claim number 593 filed on September 26, 2008 by the U.S. Customs and Border Protection in an unliquidated amount.

"U.S. Government Obligations" means direct obligations (or certificates representing an ownership interest in such obligations) of the United States of America for the payment of which the full faith and credit of the United States of America is pledged and which are not callable at the issuer' s option.

"Unrestricted Subsidiary" means any Subsidiary of the Corporation designated as such pursuant to and in compliance with the provisions of Section 5.09 of this Indenture. Any such designation may be revoked by a resolution of the Board of Directors delivered to the Trustee, subject to the provisions of such covenant.

"Voting Stock" of a Person means all classes of Capital Stock of such Person then outstanding as to which the holders thereof are entitled under ordinary circumstances (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees of such Person.

"Wholly Owned Subsidiary" means any Subsidiary with respect to which all of the outstanding Voting Stock (other than directors' qualifying shares) of which are owned, directly or indirectly, by the Corporation.

SECTION 1.02 Other Definitions

Term	Defined in Section
"Acquired Person"	SECTION 5.03
"Agent Members"	SECTION 2.08
"Bankruptcy Law"	SECTION 7.01
"covenant defeasance"	SECTION 9.01
"Custodian"	SECTION 7.01
"Designation"	SECTION 5.09
"Event of Default"	SECTION 7.01
"Global Security"	SECTION 2.01
"Guaranteed Obligations"	SECTION 12.01
"Incur"	SECTION 5.03
"Legal Holiday"	SECTION 5.038

"Paying Agent"	SECTION 2.03
"Permitted Payments"	SECTION 5.04
"Physical Securities"	SECTION 2.01
"refinancing"	SECTION 5.03
"Refinancing Indebtedness"	SECTION 5.03
"Registrar"	SECTION 2.03

SECTION 1.03 Incorporation by Reference of Trust Indenture Act. The Securities and the Indenture are not qualified under the TIA and the terms of the Securities will include only those provisions of the TIA made part of the Indenture by express reference to the TIA. The following TIA terms used in this Indenture have the following meanings:

"Commission" means the SEC.

"indenture securities" means the Securities and the Subsidiary Guarantees.

"indenture security holder" means a Securityholder.

"indenture to be qualified" means this Indenture.

"indenture trustee" or "institutional trustee" means the Trustee.

"obligor" on the indenture securities means the Corporation, each Subsidiary Guarantor and any other obligor on the Securities.

All other TIA terms used in this Indenture that are defined by the TIA, defined by TIA reference to another statute or defined by SEC rule have the meanings assigned to them by such definitions.

SECTION 1.04 Rules of Construction. Unless the context otherwise requires:

(1) an accounting term not otherwise defined has the meaning assigned to it in accordance with GAAP as in effect on the Issue Date;

(2) "or" is not exclusive;

(3) "including" means including, without limitation; and

(4) words in the singular include the plural and words in the plural include the singular.

ARTICLE 2

The Securities

SECTION 2.01 Form and Dating. The Securities and the Trustee' s certificate of authentication relating thereto shall be substantially in the form of Exhibit A hereto. The Securities may have notations, legends or endorsements required by law, stock exchange rule or depository rule or usage. The Corporation shall approve the form of the Securities and any notation, legend or endorsement on them. Each Security shall be dated the date of its authentication and shall show the date of its authentication.

The additional terms and provisions contained in the forms of Securities annexed hereto as Exhibit A shall constitute, and are hereby expressly made, a part of this Indenture and, to the extent applicable, the Corporation and the Trustee, by their execution and delivery of this Indenture, expressly agree to such terms and provisions and to be bound thereby.

Securities shall be issued initially in the form of one or more global Securities in registered form, substantially in the form set forth in Exhibit A (the "Global Security"), deposited with the Trustee, as custodian for the Depository, duly executed by the Corporation and authenticated by the Trustee as hereinafter provided and shall bear the legend set forth in Section 2.07 hereof. The aggregate principal amount of the Global Security may from time to time be increased or decreased by adjustments made on the records of the Trustee, as custodian for the Depository.

Securities may be issued, in the form of certificated Securities in registered form, in substantially the form set forth in Exhibit A (the "Physical Securities"). The Physical Securities are sometimes collectively herein referred to as the "Physical Securities." Physical Securities may initially be registered in the name of the Depository or a nominee of such Depository and be delivered to such Depository. Beneficial owners of Physical Securities, however, may request registration of such Physical Securities in their names or the names of their nominees.

SECTION 2.02 Execution and Authentication. Two Officers shall sign the Securities for the Corporation by manual or facsimile signature. The Corporation' s seal shall be impressed, affixed, imprinted or reproduced on the Securities and may be in facsimile form.

If an Officer whose signature is on a Security no longer holds that office at the time the Trustee authenticates the Security, the Security shall be valid nevertheless.

A Security shall not be valid until an authorized signatory of the Trustee manually signs the certificate of authentication on the Security. The signature shall be conclusive evidence that the Security has been authenticated under this Indenture.

On the Issue Date, pursuant to an authentication order from the Corporation, the Trustee shall authenticate and deliver Securities for original issue in an aggregate principal amount of $3,658,080. Subject to applicable law and Section 2.10 and 2.14 the aggregate principal amount of Securities which may be authenticated and delivered under this Indenture is $3,658,080. The aggregate principal amount of Securities outstanding at any time may not exceed that amount except as provided in Sections 2.12 and 2.14.

The Securities shall be issuable only in registered form and only in minimum denominations of $1 principal amount and any integral multiple thereof.

The Trustee may appoint an authenticating agent reasonably acceptable to the Corporation to authenticate Securities. Unless limited by the terms of such appointment, an authenticating agent may authenticate Securities whenever the Trustee may do so. Each reference in this Indenture to authentication by the Trustee includes authentication by such agent. An authenticating agent has the same rights as any Registrar, Paying Agent or agent for service of notices and demands.

SECTION 2.03 Registrar and Paying Agent. The Corporation shall maintain an office or agency where Securities may be presented for registration of transfer or for exchange ("Registrar") and an office or agency where Securities may be presented for payment ("Paying Agent"). The Registrar shall keep a register of the Securities and of their transfer and exchange. The Corporation may have one or more co-registrars and one or more additional paying agents. The term "Paying Agent" includes any additional paying agent.

The Corporation shall enter into an appropriate agency agreement with any Registrar, Paying Agent or co-registrar not a party to this Indenture, which agreement shall incorporate the provisions of the TIA to the extent they are otherwise expressly incorporated herein and implement the provisions of this Indenture that relate to such agent. The Corporation shall notify the Trustee in writing of the name and address of any such agent. If the Corporation fails to maintain a Registrar or Paying Agent, the Trustee shall act as such, and shall be entitled to appropriate compensation in accordance with Section 8.07. The Corporation or any Subsidiary or Affiliate may act as Paying Agent, Registrar, co-registrar or transfer agent.

The Corporation initially appoints the Trustee, at its corporate Trust Office, as Registrar and Paying Agent in connection with the Securities.

SECTION 2.04 Paying Agent To Hold Money in Trust. On or prior to each due date of the principal and interest on any Security, the Corporation shall deposit with the Paying Agent a sum in immediately available funds sufficient to pay such principal and interest when due. The Corporation shall require each Paying Agent (other than the Trustee) to agree in writing that the Paying Agent shall hold in trust for the benefit of Securityholders or the Trustee all money held by the Paying Agent for the payment of principal of or interest on the Securities and shall notify the Trustee of any Default by the Corporation in making any such payment. If the Corporation or a Subsidiary acts as Paying Agent, it shall segregate the money held by it as Paying Agent and hold it as a separate trust fund. The Corporation at any time may require a Paying Agent to pay all money held by it to the Trustee and to account for any funds disbursed by it. Upon making such payment, the Paying Agent (other than the Corporation) shall have no further liability for the money delivered to the Trustee.

SECTION 2.05 Securityholder Lists. The Trustee shall preserve in as current a form as is reasonably practicable the most recent list available to it of the names and addresses of Securityholders. If the Trustee is not the Registrar, the Corporation shall furnish to the Trustee at least five Business Days before each payment date and at such other times as the Trustee may request in writing a list in such form and as of such date as the Trustee may reasonably require of the names and addresses of Securityholders, and the Trustee may conclusively rely on any such list so provided.

SECTION 2.06 Transfer and Exchange. When a Security is presented to the Registrar or a co-registrar with a request to register a transfer, the Registrar shall register the transfer as requested if duly endorsed for transfer or accompanied by a written instrument of transfer in form acceptable to the Registrar, by the Holder. The Registrar may require the assurances set forth in Section 8-402 of the Uniform Commercial Code that any endorsement is genuine and effective. When Securities are presented to the Registrar or a co-registrar with a request to exchange them for an equal principal amount of Securities of other denominations, the Registrar shall make the exchange as requested if the same requirements are met. To permit registration of transfers and exchanges, the Corporation shall execute and the Trustee shall authenticate Securities at the Registrar' s or co-registrar' s request. The Corporation may require payment of a sum sufficient to pay all taxes, assessments or other governmental charges. The Corporation shall not be required to make and the Registrar need not register transfers or exchanges of Securities selected for redemption (except, in the case of Securities to be redeemed in part, the portion thereof not to be redeemed) or for a period of 15 days before a selection of Securities to be redeemed or 15 days before a payment date.

Prior to the due presentation for registration of transfer of any Security, the Corporation, the Trustee, the Paying Agent, the Registrar or any co-registrar may deem and treat the person in whose name a Security is registered as the absolute owner of such Security for the purpose of receiving payment of principal of and interest on such Security and for all other purposes whatsoever, whether or not such Security is overdue, and none of the Corporation, the Trustee, the Paying Agent, the Registrar or any co-registrar shall be affected by notice to the contrary. Furthermore, any Holder of a Global Security shall, by acceptance of such Global Security, agree that transfers of beneficial interests in such Global Security may be effected only through a book-entry system maintained by the Depository (or its agent) and that ownership of a beneficial interest in the Global Security shall be required to be reflected in a book entry.

SECTION 2.07 Restrictive Legends. Each Global Security shall also bear a legend on the face thereof in substantially the following form:

UNLESS AND UNTIL IT IS EXCHANGED IN WHOLE OR IN PART FOR SECURITIES IN DEFINITIVE FORM, THIS SECURITY MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE DEPOSITORY TO A NOMINEE OF THE DEPOSITORY, OR BY THE DEPOSITORY OR ANY SUCH NOMINEE TO A SUCCESSOR DEPOSITORY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITORY. UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT HEREON IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

TRANSFERS OF THIS GLOBAL SECURITY SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF CEDE & CO. OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR' S NOMINEE AND TRANSFERS OF PORTIONS OF THIS GLOBAL SECURITY SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN SECTIONS 2.08 and 2.09 OF THE INDENTURE.

SECTION 2.08 Book Entry Provisions for Global Securities. This Section 2.08 shall apply only to the Global Security deposited with the Depository or its custodian.

(1) So long as the Securities are eligible for book-entry settlement with the Depository, or unless otherwise required by law, the Global Security initially shall (i) be registered in the name of the Depository or the nominee of such Depository, (ii) be delivered to the Trustee as custodian for such Depository and (iii) bear legends as set forth in Section 2.07.

Members of, or participants in, the Depository ("Agent Members") shall have no rights under this Indenture with respect to any Global Security held on their behalf by the Depository, or the Trustee as its custodian, or under the Global Security, and the Depository may be treated by the Corporation, the Trustee and any agent of the Corporation or the Trustee as the absolute owner of the Global Security for all purposes whatsoever. Notwithstanding the foregoing, nothing herein shall prevent the Corporation, the Trustee or any Agent of the Corporation or the Trustee from giving effect to any written certification, proxy or other authorization furnished by the Depository or impair, as between the Depository and its Agent Members, the operation of customary practices governing the exercise of the rights of a holder of any Security.

(2) Transfers of the Global Security shall be limited to transfers in whole, but, subject to the immediately succeeding sentence, not in part, to the Depository, its successors or their respective nominees. Interests of beneficial owners in the Global Security may be transferred or exchanged for Physical Securities in accordance with the rules and procedures of the Depository and the provisions of Section 2.09 hereof. In addition, Physical Securities shall be transferred to all beneficial owners in exchange for their beneficial interests in the Global Security if (i) the Depository notifies the Corporation that it is unwilling or unable to continue as Depository for the Global Security and a successor depositary is not appointed by the Corporation within 90 days of such notice or (ii) an Event of Default has occurred and is continuing and the Registrar has received a written request from the Depository to issue Physical Securities.

(3) In connection with any transfer or exchange of a portion of the beneficial interest in the Global Security to beneficial owners pursuant to paragraph (2), the Registrar shall (if one or more Physical Securities are to be issued) reflect on its books and records the date and a decrease in the principal amount of the Global Security in an amount equal to the principal amount of the beneficial interest in the Global Security to be transferred, and the Corporation shall execute, and the Trustee shall authenticate and deliver, one or more Physical Securities of like tenor and amount.

(4) In connection with the transfer of the beneficial interests in the entire Global Security to beneficial owners pursuant to paragraph (2), the Global Security shall be deemed to be surrendered to the Trustee for cancellation, and the Corporation shall execute, and the Trustee shall, authenticate and deliver to each beneficial owner identified by the Depository in exchange for its beneficial interest in the Global Security, an equal aggregate principal amount of Physical Securities of authorized denominations.

(5) The owner of a beneficial interest in the Global Security may grant proxies and otherwise authorize any person, including Agent Members and persons that may hold interests through Agent Members, to take any action which a Holder is entitled to take under this Indenture or the Securities.

(6) Neither the Registrar nor the Trustee shall be obligated or required to receive any certificate, opinion or other information evidencing or relating to compliance with any federal or state securities laws that may be applicable in connection with any transfer or exchange of interests in or to any Security.

SECTION 2.09 Special Transfer Provisions.

(1) Intentionally Omitted.

(2) The following provisions shall apply with respect to the registration of any proposed transfer of a Security:

(a) If the proposed transferor is an Agent Member holding a beneficial interest in the Global Security, upon receipt by the Registrar of written instructions (which shall include registration and delivery instructions as may be required by the Registrar or Trustee) given in accordance with the Depository' s and the Registrar' s procedures, (i) the Registrar shall reflect on its books and records the date and if the transfer does not involve a transfer of outstanding Physical Securities) a decrease in the principal amount of the Global Security in an amount equal to the principal amount of the beneficial interest in the Global Security to be transferred, and (ii) the Corporation shall execute and the Trustee shall authenticate and deliver one or more Physical Securities of like tenor and amount.

(b) If the proposed transferee is an Agent Member (and the Securities to be transferred consist of Physical Securities which after transfer are to be evidenced by an interest in the Global Security), upon receipt by the Registrar of written instructions given in accordance with the Depository' s and the Security Registrar' s procedures, and surrender of the Physical Securities to be transferred, duly endorsed or accompanied by a written instrument of transfer in form acceptable to the Registrar or Trustee, (i) the Registrar shall reflect on its books and records the date and an increase in the principal amount of the Global Security in an amount equal to the principal amount of the Physical Securities to be transferred, and (ii) the Trustee shall cancel the Physical Securities so transferred.

The Registrar shall retain copies of all letters, notices and other written communications received pursuant to Section 2.08 hereof or this Section 2.09. The Corporation shall have the right to inspect and make copies of all such letters, notices or other written communications at any reasonable time during the Registrar' s normal business hours upon the giving of reasonable written notice to the Registrar.

In connection with any transfer of the Securities, the Trustee, the Registrar and the Corporation shall be entitled to receive, shall be under no duty to inquire into, may conclusively presume the correctness of, and shall be fully protected in relying upon any certificates, opinions and other information referred to herein or otherwise (or in any forms provided herein, attached hereto or to the Securities, or otherwise) received from any Holder and any transferee of any Security regarding the validity, legality and due authorization of any such transfer, the eligibility of the transferee to receive such Security and any other facts and circumstances related to such transfer.

SECTION 2.10 Replacement Securities. If a mutilated Security is surrendered to the Registrar or if the Holder of a Security claims that the Security has been lost, destroyed or wrongfully taken, the Corporation shall issue and the Trustee shall authenticate a replacement Security if the requirements of Section 8-405 of the Uniform Commercial Code are met and the Holder satisfies any other reasonable requirements of the Trustee. If required by the Trustee or the Corporation, such Holder shall furnish an indemnity bond sufficient in the judgment of the Corporation and the Trustee to protect the Corporation, the Trustee, the Paying Agent, the Registrar and any co-registrar from any loss which any of them may suffer if a Security is replaced. The Corporation and the Trustee may charge the Holder for their expenses in replacing a Security.

Every replacement Security is an additional obligation of the Corporation.

SECTION 2.11 Outstanding Securities. Securities outstanding at any time are all Securities authenticated by the Trustee except for those canceled by it and those delivered to it for cancellation and those described in this Section as not outstanding. A Security does not cease to be outstanding because the Corporation or an Affiliate of the Corporation holds the Security.

If a Security is replaced pursuant to Section 2.10, it ceases to be outstanding unless the Trustee and the Corporation receive proof satisfactory to them that the replaced Security is held by a bona fide purchaser.

If the Paying Agent (other than the Corporation or a Subsidiary) holds in trust, in accordance with this Indenture, on a redemption date or maturity date money sufficient to pay all amounts payable on that date with respect to the Securities (or portions thereof) and is not prohibited from paying such money to the Holders thereof pursuant to the terms of this Indenture, then on and after that date such Securities (or portions thereof) cease to be outstanding and interest on them ceases to accrue.

If a Security is called for redemption or if it matures in less than a year and if the Corporation has satisfied its obligation to pay the Security in accordance with Article 9 of this Indenture, the Corporation and the Trustee need not treat the Security as outstanding in determining whether Holders of the required principal amount of Securities have concurred in any direction, waiver or consent.

SECTION 2.12 Temporary Securities. Until definitive Securities are ready for delivery, the Corporation may prepare and the Trustee shall authenticate temporary Securities. Temporary Securities shall be substantially in the form of definitive Securities but may have variations that the Corporation considers appropriate for temporary Securities. Without unreasonable delay, the Corporation shall prepare and the Trustee, upon receipt of the Corporation' s written order signed by two Officers which shall specify the amount of definitive Securities to be authenticated, and the date thereof, shall authenticate definitive Securities and deliver them in exchange for temporary Securities.

SECTION 2.13 Cancellation. The Corporation at any time may deliver Securities to the Trustee for cancellation. The Registrar and the Paying Agent shall forward to the Trustee any Securities surrendered to them for transfer, exchange or payment. The Trustee and no one else shall cancel and destroy (subject to the record retention requirements of the Exchange Act) all Securities surrendered for transfer, exchange, payment or cancellation and deliver a certificate of such destruction to the Corporation unless the Corporation directs the Trustee to deliver canceled Securities to the Corporation. The Corporation may not issue new Securities to replace Securities it has redeemed, paid or delivered to the Trustee for cancellation.

SECTION 2.14 Additional Securities. There shall be no additional Securities issued pursuant to this Indenture unless approved by the Holders in accordance with Section 10.02. Any additional Securities so issued shall be governed by and entitled to the benefits of this Indenture and the Security Agreement, shall be issued in substantially the form of Exhibit A hereto, and shall be subject to the same terms (including the rate of interest) as the Securities originally issued hereunder, except, as the case may be, with respect to the issue date, the principal amount and the payment of interest scheduled to be paid prior to or on the date of issuance of such additional Securities.

SECTION 2.15 Defaulted Interest. If the Corporation defaults in a payment when due of interest on the Securities, it shall pay the defaulted interest (plus, to the extent permitted by applicable law, interest on such defaulted interest at the rate borne by the Securities plus 1%) in any lawful manner to the persons who are Securityholders on a subsequent special record date, which date shall be at least five business days prior to the special payment date. The Corporation shall fix the special record date and special payment date, and the Corporation, or the Trustee in the name of and at the expense of the Corporation, shall promptly mail to each Securityholder a notice that states the special record date, the special payment date and the amount of defaulted interest to be paid at least 10 days before the special record date.

SECTION 2.16 CUSIP Numbers. The Corporation in issuing the Securities may use "CUSIP" numbers (if then generally in use) and, if so, the Trustee shall use "CUSIP" numbers in notices of redemption or notices of optional prepayment, as the case may be, as a convenience to Holders; provided, however, that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Securities or as contained in any notice of a redemption and that reliance may be placed only on the other identification numbers printed on the Securities, and any such redemption shall not be affected by any defect in or omission of such numbers.

ARTICLE 3

Amortization From Excess Flow;
Application of Distributions From Intercreditor
Agreement; Prepayment upon Equity Issuance

SECTION 3.01 General. Not less than 5 days prior to each interest payment date or a prepayment date on the Securities pursuant to this Article 3, the Corporation shall furnish to the Trustee a statement containing a calculation in reasonable detail of (i) if such payment date is the first interest payment date of a Fiscal Year, Excess Cash Flow; (ii) distributions under the Intercreditor Agreement; (iii) Net Proceeds of any Equity Issuance; and (iv) Net Available Cash from any Asset Sale, in each case with respect to such payment date and setting forth the amount of such Excess Cash Flow, distributions under the Intercreditor Agreement, and Net Proceeds of any Equity Issuance and Net Proceeds of any Asset Sale to be applied to the prepayment of principal of the Securities pursuant to this Article 3, on which statement the Trustee shall conclusively rely.

SECTION 3.02 Application of Excess Cash Flow. No later than the March 31 interest payment date, the Corporation shall prepay Securities in an aggregate amount equal to the greater of (a) 100% of Excess Cash Flow for such Measuring Period and (b) 100% of Excess Cash on Hand as of the related Measuring Date.

SECTION 3.03 Obligation to Pay Securities in Cash. Notwithstanding anything contained in this Indenture or the Securities, the full amount of all interest, and the principal amount of the Securities shall be payable in cash without regard to the source of such cash or the amount of Excess Cash Flow on the respective dates for payment of interest provided in the Securities and on the maturity date of the Securities, whether at the stated maturity on the Maturity Date, or upon acceleration or otherwise.

SECTION 3.04 Application of Distributions from Intercreditor Agreement. Any amounts or distributions received by the Trustee under the Intercreditor Agreement for the account of the Securityholders from proceeds of any principal payment required under the Hillside Credit Agreement shall first be applied to the prepayment of the outstanding principal of the Securities as a mandatory prepayment and then applied to any accrued but unpaid interest thereon on the next interest payment date. Any amounts or distributions received by the Trustee under the Intercreditor Agreement from the Collateral Trustee for the account of the Securityholders from the exercise of remedies shall be promptly applied by the Trustee to the prepayment of the outstanding principal of the Securities as a mandatory prepayment and then applied to any accrued by unpaid interest thereon, but in any event, no later than three (3) Business Days following the receipt thereof from the Collateral Agent.

SECTION 3.05 Prepayment Upon Equity Issuance. On the date that is five Business Days following any Equity Issuance, the Corporation shall apply the Net Proceeds of any Equity Issuance to a prepayment of the Securities as provided in Section 5.05(3) and this Article 3. Any such prepayments shall first be applied to the prepayment of the outstanding principal of the Securities as a mandatory prepayment and then applied to any accrued but unpaid interest thereon.

SECTION 3.06 Prepayment Upon an Asset Sale. The Corporation shall apply Net Available Cash to prepay the Securities as provided in Section 5.05(2) and this Article 3. Any such prepayments shall first be applied to the prepayment of the outstanding principal of the Securities as a mandatory prepayment and then applied to any accrued but unpaid interest thereon.

SECTION 3.07 Prepayments to be made pro rata. Any prepayment to be effected pursuant to Sections 3.02, 3.04, 3.05 or 3.06 shall be made on a pro rata basis among the Securities.

ARTICLE 4

Redemption

SECTION 4.01 Notices to Trustee. If the Corporation elects to redeem Securities pursuant to paragraph 8 of the Securities, it shall notify the Trustee in writing of the redemption date and the principal amount of Securities to be redeemed.

The Corporation shall give the notice provided for in this Section at least 30 but no more than 60 days before the redemption date, unless the Trustee consents to a shorter period. Such notice shall be accompanied by an Officers' Certificate and an Opinion of Counsel from the Corporation that such redemption will comply with the conditions contained herein.

If less than all the Securities are to be redeemed, the record date relating to such redemption shall be selected by the Corporation and given by notice to the Trustee, which record date shall be not less than 15 days after the date of notice to the Trustee.

SECTION 4.02 Selection of Securities To Be Redeemed. If less than all the Securities are to be redeemed, the Trustee shall select the Securities to be redeemed pro rata or by lot or by a method that complies with applicable legal and securities exchange requirements (or applicable depository requirements), if any. The Trustee shall make the selection from outstanding Securities not previously called for redemption. The Trustee may select for redemption portions of the principal of Securities that have denominations larger than $1,000, subject to the restriction that Securities and portions of Securities the Trustee selects shall be in amounts of $1,000 or a whole multiple of $1,000. Securities in denominations of $1,000 or less may only be redeemed in whole. Provisions of this Indenture that apply to Securities called for redemption also apply to portions of Securities called for redemption. The Trustee shall notify the Corporation promptly of the Securities or portions of Securities to be redeemed.

SECTION 4.03 Notice of Redemption. At least 30 days but no more than 60 days before a date for redemption of Securities, the Corporation shall mail a notice of redemption by first-class mail to each Holder of Securities to be redeemed.

The notice shall identify the Securities to be redeemed and shall state:

(1) the redemption date;

(2) the redemption price;

(3) the name and address of the Paying Agent;

(4) that Securities called for redemption must be surrendered to the Paying Agent to collect the redemption price;

(5) if less than all the outstanding Securities are to be redeemed, the identification and principal amounts of the particular Securities to be redeemed;

(6) that, unless the Corporation defaults in making such redemption payment, interest on Securities called for redemption ceases to accrue on and after the redemption date;

(7) the paragraph of the Securities and/or Section of this Indenture pursuant to which the Securities called for redemption are being redeemed; and

(8) the CUSIP number, provided that no representation is made as to the correctness or accuracy of the CUSIP number, if any, listed in such notice or printed on the Securities.

At the Corporation' s written request, the Trustee shall give the notice of redemption in the Corporation' s name and at the Corporation' s expense (provided that such request shall be made to the Trustee not less than five (5) Business Days prior to the date on which such notice is required to be mailed, unless a shorter period is acceptable to the Trustee). In such event the Corporation shall provide the Trustee with the information required by clauses (1) through (4) and (7).

SECTION 4.04 Effect of Notice of Redemption. Once notice of redemption is mailed, Securities called for redemption become due and payable on the redemption date and at the redemption price stated in the notice. Upon surrender to the Paying Agent, such Securities shall be paid at the redemption price stated in the notice, plus accrued interest to the redemption date. Failure to give notice or any defect in the notice to any Holder shall not affect the validity of the notice to any other Holder.

SECTION 4.05 Deposit of Redemption Price. Prior to 10:00 a.m. New York City time on the redemption date, the Corporation shall deposit with the Paying Agent (or if the Corporation or a Subsidiary is the Paying Agent, shall segregate and hold in trust) money, in immediately available funds, sufficient to pay the redemption price of and accrued interest on all Securities to be redeemed on that date other than Securities or portions of Securities called for redemption which have been delivered by the Corporation to the Trustee for cancellation.

SECTION 4.06 Securities Redeemed in Part. Upon surrender to the Trustee at the Corporate Trust Office of a Security that is redeemed in part, the Corporation shall execute and the Trustee shall authenticate for the Holder (at the Corporation' s expense) a new Security equal in principal amount to the unredeemed portion of the Security surrendered.

ARTICLE 5

Covenants

SECTION 5.01 Payment of Securities. The Corporation shall promptly pay the principal of and interest on the Securities not later than 11:00 a.m. New York City time on the dates and in the manner provided in the Securities and in this Indenture. Principal and interest (including any redemption price) shall be considered paid on the date due if the Trustee or the Paying Agent (other than the Corporation or a Subsidiary) holds on such date as of 11:00 a.m. New York City time money in U.S. dollars sufficient to pay all principal and interest (including any redemption price) then due and the Trustee or the Paying Agent is not prohibited from paying such money to the Holders on that date pursuant to the terms of this Indenture.

The Corporation shall pay interest on overdue principal (including any redemption price) at the rate borne by the Securities plus 1% per annum, and it shall pay interest on overdue installments of interest (without regard to any applicable grace periods) at the same rate to the extent lawful.

SECTION 5.02 SEC Reports. (1) The Corporation shall provide the Trustee and the Securityholders with reports containing substantially the same information as would have been required to be filed with the SEC with respect to financial statements, management' s discussion and analysis and a discussion of significant changes in the business and financial condition of the Corporation which the Corporation would have been required to file with the SEC pursuant to Section 13 or 15(d) of the Exchange Act if the Corporation was subject to the reporting requirements of Section 13 or 15(d) of the Securities and Exchange Act of 1934. Such reports shall be provided at the times the Corporation would have been required to provide reports had it continued to have been subject to such reporting requirements. Notwithstanding anything to the contrary herein, if this Indenture is otherwise required to be qualified under the TIA, the Corporation shall at all times comply with the provisions of Section 314(a) of the TIA. In addition, the Corporation agrees that, for so long as any Securities remain outstanding, at any time the Corporation is not required to file reports pursuant to Section 13 or 15(d) of the Exchange Act, it shall furnish to the Securityholders upon their request, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

(2) The Corporation shall provide the Securityholders the financial information, reports and notices delivered to Hillside under Sections 6.01 and 6.02 of the Hillside Credit Agreement promptly after the same are delivered by the Corporation to Hillside.

(3) The Trustee shall not be under any duty or obligation to examine, review or evaluate any of the reports, statements, plans or other information delivered or required to be delivered to it pursuant to this Section 5.02, it being hereby acknowledged that such deliveries are made to the Trustee solely to make such material accessible to Securityholders upon their request.

SECTION 5.03 Limitation on Indebtedness. (1) The Corporation shall not, and shall not permit any of its Restricted Subsidiaries to directly or indirectly, create, issue, assume, Guarantee, incur or otherwise become directly or indirectly liable, contingently or otherwise, for (collectively, "Incur") any Indebtedness except as permitted under Clause (2) of this Section 5.03.

(2) The Corporation and its Restricted Subsidiaries may Incur the following Indebtedness:

(a) Indebtedness of the Corporation represented by the Securities;

(b) Existing Indebtedness;

(c) Indebtedness of the Corporation to any Subsidiary Guarantor and of any Restricted Subsidiary to the Corporation or any Subsidiary Guarantor;

(d) Indebtedness of the Corporation or any Restricted Subsidiary arising with respect to Interest Rate Agreement Obligations and Currency Agreement Obligations Incurred for the purpose of fixing or hedging interest rate risk or currency risk;

(e) Indebtedness represented by performance, completion, Guarantee, surety and similar bonds provided by the Corporation or any Restricted Subsidiary in the ordinary course of business;

(f) Indebtedness Incurred by the Corporation or any of its Restricted Subsidiaries constituting reimbursement obligations with respect to letters of credit or other instruments issued in the ordinary course of business, including without limitation letters of credit in respect of workmen' s compensation claims or self-insurance or securing obligations of the Corporation or any Restricted Subsidiary under operating leases; provided that upon drawing of such letters of credit or other instrument such drawings are reimbursed within 30 days following demand for reimbursements and letters of credit in effect on the date hereof and identified on Schedule D hereto, as any such letter of credit may be extended or renewed without increasing the amount that may be drawn thereunder;

(g) Indebtedness Incurred in connection with or given in exchange for the renewal, extension, modification, amendment, refunding, defeasance, refinancing or replacement (a "refinancing") of any of the Securities or any Existing Indebtedness or any Indebtedness issued after the Issue Date and not Incurred in violation of the Indenture ("Refinancing Indebtedness"); provided, however, that (a) the principal amount of such Refinancing Indebtedness shall not exceed the principal amount (or accreted amount, if less) of the Indebtedness so refinanced at the time outstanding (or obtainable under any outstanding revolving credit or similar agreement) (plus the premiums paid in connection therewith and the reasonable expenses incurred in connection therewith), provided further, that in the case of a refinancing of Indebtedness under a revolving credit or similar agreement, if the agreement has been terminated prior to the date of such refinancing and all Indebtedness thereunder been repaid, the amount of such Refinancing Indebtedness shall not exceed the maximum amount obtainable under such agreement at

the time of termination thereof; (b) with respect to Subordinated Indebtedness being refinanced, the Stated Maturity of the Refinancing Indebtedness shall be not earlier than the Stated Maturity of the Indebtedness being refinanced, and such Refinancing Indebtedness shall have an Average Life at the time such Refinancing Indebtedness is incurred that is equal to or greater than the remaining Average Life of the Indebtedness being Refinanced; (c) with respect to Subordinated Indebtedness being refinanced, such Refinancing Indebtedness shall rank no more senior than, and shall be at least as subordinated in right of payment to the Securities as the Indebtedness being refinanced; and (d) the obligor on such Refinancing Indebtedness shall be the obligor on the Indebtedness being refinanced;

(h) Indebtedness of the Corporation or any Restricted Subsidiary (a) representing Capital Lease Obligations and (b) in respect of Purchase Money Obligations for property acquired in the ordinary course of business, which taken together do not exceed $250,000 in aggregate amount at any time outstanding;

(i) Guarantees provided under Article 12 hereof and Guarantees by the Corporation or any Subsidiary Guarantor of Indebtedness of the Corporation or any Subsidiary Guarantor that was permitted to be Incurred pursuant to another provision of this covenant (other than Indebtedness under clause (b) or (g), unless expressly permitted by such sections, or clause (c));

(j) Indebtedness of the Corporation or any Subsidiary Guarantor Incurred pursuant to the Hillside Credit Agreement, including without limitation any Guarantee of such Indebtedness Incurred pursuant to the Hillside Credit Agreement, in each case, provided that the principal amount thereof does not exceed $25,000,000 in the aggregate at any time;

(k) New Preferred Stock of the Corporation issued in accordance with the terms of the Hillside Agreement;

(l) and Guarantees of the Subsidiary Guarantors of the Corporation' s payment obligations under to the New Preferred Stock Incurred pursuant to the Hillside Agreement; and

(m) unsecured Subordinated Indebtedness in an aggregate principal amount not to exceed $100,000 at any time outstanding.

Any Indebtedness of a Person existing at the time such Person becomes a Restricted Subsidiary (whether by merger, consolidation, acquisition or otherwise; an "Acquired Person") shall be deemed to be Incurred by such Restricted Subsidiary at the time it becomes a Restricted Subsidiary.

SECTION 5.04 Limitation on Restricted Payments. The Corporation will not, and will not permit any Restricted Subsidiary to, directly or indirectly, declare, order, pay, make or set apart any sum for a Restricted Payment (including any Restricted Investment), provided, that, so long as there is no Default or Event of Default continuing, the following payments and other actions shall be expressly permitted (collectively, "Permitted Payments"):

(a) any purchase or defeasance of Subordinated Indebtedness to the extent required upon a Change of Control or Asset Sale (as defined herein) by this Indenture or other agreement or instrument pursuant to which such Subordinated Indebtedness was issued, but only if the Corporation (x) in the case of a Change of Control, has complied with its obligations under Section 5.10 or (y) in the case of an Asset Sale has applied the Net Available Cash from such Asset Sale in accordance with the provisions of Section 5.05 of this Indenture

(b) the repurchase of Capital Stock of the Corporation (including options, warrants or other rights to acquire such Capital Stock) from directors, officers or employees (or their nominees) of the Corporation or its Subsidiaries pursuant to the terms of an employee benefit plan or employment agreement or similar arrangement; provided that an aggregate amount of all such repurchases (net of repayments or cancellations of indebtedness as a result of such repurchases) shall not exceed $250,000 so long as the Securities are outstanding.

The Corporation will not, nor will it permit any of its Restricted Subsidiaries to make or permit to remain outstanding any Investments except (i) Investments outstanding on the date hereof and identified in Schedule E; (ii) operating deposit accounts of the Corporation or such Restricted Subsidiary with banks; (iii) Permitted Investments; and (iv) Investments consisting of security deposits with utilities, lessors and other like Persons made in the ordinary course of business.

SECTION 5.05 Limitation on Asset Sales; Equity Issuances. (1) The Corporation will not, and will not permit any Restricted Subsidiary to, make any Asset Sale unless (i) the Corporation or such Restricted Subsidiary, as the case may be, receives consideration at the time of such Asset Sale at least equal to the fair market value of the assets or other property sold or disposed of in the Asset Sale, (ii) the fair market value is determined by the Board of Directors and evidenced by a resolution of the Board of Directors set forth in an Officer' s Certificate delivered to the Trustee and (iii) at least 75% of such consideration consists of either cash or Cash Equivalents; provided that, the aggregate Asset Sales permitted hereunder shall not exceed $250,000 while the Securities are outstanding.

For the purposes of this covenant, the following will be deemed to be cash: (x) the assumption by the transferee of Indebtedness of the Corporation or Indebtedness of any Restricted Subsidiary of the Corporation (other than Subordinated Obligations related to the asset sold) and the release of the Corporation or such Restricted Subsidiary from all liability on such Indebtedness in connection with such Asset Sale and (y) securities received by the Corporation or any Restricted Subsidiary of the Corporation from the transferee that are promptly (and in any event within 40 days) converted by the Corporation or such Restricted Subsidiary into cash.

(2) Within 2 Business Days after any Asset Sale, the Corporation may elect to apply the Net Available Cash from an Asset Sale to (i) apply up to $100,000 in the aggregate from all Asset Sales to make an Investment in, or acquire assets and properties that will be used in the business of the Corporation and its Restricted Subsidiaries, and (ii) any balance of such Net Available Cash exceeding $100,000 and not applied or invested as provided in clause (i) within 2 Business Days after such Asset Sale, shall be applied to prepay the Securities as provided in this Section 5.05 and Article 3. Pending the final application of any such Net Available Cash, the Corporation may temporarily invest such Net Available Cash in cash or Cash Equivalents.

(3) Upon the date that is five (5) Business Days following any Equity Issuance, the Corporation shall prepay the Securities in an aggregate amount equal to 100% of the Net Proceeds thereof as provided in this Section 5.05 and Article 3.

SECTION 5.06 Limitation on Liens. The Corporation shall not, and shall not permit any of its Restricted Subsidiaries to, directly or indirectly, create, incur, assume or permit to exist any Lien on or with respect to any property or asset of any kind (including any document or instrument in respect of goods or accounts receivable) of the Corporation or any of its Restricted Subsidiaries, whether now owned or hereafter acquired, or any income or profits therefrom, or file or permit the filing of, or permit to remain in effect, any financing statement or other similar notice of any Lien with respect to any such property, asset, income or profits under the UCC or under any similar recording or notice statute except Permitted Liens.

SECTION 5.07 Limitation on Dividends and Other Payment Restrictions Affecting Restricted Subsidiaries. The Corporation will not, and will not permit any Restricted Subsidiary to, directly or indirectly, create or otherwise cause or suffer to exist or become effective any consensual encumbrance or restriction on the ability of any Restricted Subsidiary to (i) pay dividends or make any other distributions to the Corporation or any other Restricted Subsidiary on its Capital Stock, or pay any Indebtedness owed to the Corporation or any other Restricted Subsidiary, make loans or advances to the Corporation or any other Restricted Subsidiary or (ii) transfer any of its properties or assets to the Corporation or any other Restricted Subsidiary, except for such encumbrances or restrictions existing under or by reason of

(1) any agreement or instrument evidencing or governing any Existing Indebtedness;

(2) applicable law;

(3) any instrument governing Indebtedness or Capital Stock of an Acquired Person acquired by the Corporation or any of its Restricted Subsidiaries as in effect at the time of such acquisition or any refinancing thereof; provided, however, that such restriction is not applicable to any Person, or the properties or assets of any Person, other than the Acquired Person;

(4) by reason of customary non-assignment provisions in leases entered into in the ordinary course of business and consistent with past practices;

(5) Purchase Money Obligations for property acquired in the ordinary course of business that only impose restrictions on the property so acquired;

(6) an agreement for the sale or disposition of the Capital Stock or assets of such Restricted Subsidiary; provided, however, that such restriction is only applicable to such Restricted Subsidiary or assets, as applicable, and such sale or disposition otherwise is permitted under Section 5.05 of this Indenture;

(7) Refinancing Indebtedness permitted under the Indenture; provided, however, that the restrictions contained in the agreements governing such Refinancing Indebtedness are not materially more restrictive in the aggregate than those contained in the agreements governing the Indebtedness being refinanced immediately prior to such refinancing;

(8) the Indenture and the Securities;

(9) the Hillside Credit Agreement;

(10) the New Preferred Stock issued in accordance with the terms of the Hillside Agreement; or

(11) the Hillside Agreement.

Nothing contained in this Section 5.07 shall prevent the Corporation or any Restricted Subsidiary from (1) creating, incurring, assuming or suffering to exist any Liens otherwise permitted by Section 5.06 or (2) restricting the sale or other disposition of property or assets of the Corporation or any of its Restricted Subsidiaries that secure Indebtedness of the Corporation or any of its Restricted Subsidiaries with customary restrictions under the agreements evidencing such secured Indebtedness, provided, that the applicable Lien is permitted hereunder.

SECTION 5.08 Limitation on Transactions with Affiliates. The Corporation will not, and will not permit any Subsidiary to, directly or indirectly, enter into any transaction or series of related transactions (including, without limitation, the sale, purchase, exchange or lease of assets, property or services) with any Affiliate of the Corporation unless (1) such transaction or series of transactions is on terms that are not materially less favorable to the Corporation or such Subsidiary, as the case may be, than would be available in a comparable transaction in arm' s-length dealings with an unrelated third party, and (2) the Corporation delivers to the Trustee, with respect to any transaction or series of related transactions involving aggregate payments in excess of $250,000, an Officers' Certificate certifying that such transaction or series of related transactions has been approved by a majority of the members of the Board of Directors of the Corporation and evidenced by a resolution of the Board of Directors set forth in an Officers' Certificate. Notwithstanding the foregoing, this covenant will not apply to

(a) employment agreements, compensation or employee benefit arrangements, stock options or stock purchase plans or agreements with or for the benefit of any officer, director or employee of the Corporation or any Subsidiary entered into in the ordinary course of business and approved by the Board of Directors of the Corporation (including loans and stock repurchase arrangements thereunder, customary fringe benefits and including reimbursement or advancement of out of pocket expenses, loans to officers, directors and employees in the ordinary course of business, reasonable fees paid to directors who are not employees of the Corporation, and director' s and officer' s liability insurance and indemnification arrangements);

(b)(A) any transaction entered into by or among the Corporation or one of its Subsidiary Guarantors with one or more Subsidiary Guarantors and

(B) any transaction entered into by or among the Corporation or one or more Subsidiary Guarantors with any other Restricted Subsidiary to the extent necessary for the operation of the business of such Restricted Subsidiary and entered into in the ordinary course of their respective businesses;

(c) any Restricted Payment not prohibited by the provisions of Section 5.04 of this Indenture;

(d) transactions permitted by, and complying with, the provisions of Article 6 of this Indenture;

(e) any sale or issuance of Capital Stock (other than Disqualified Stock) of the Corporation;

(f) the grant or performance of registration rights with respect to securities of the Corporation;

(g) transactions under and pursuant to the Hillside Agreement, the Hillside Credit Agreement (including the issuance of the New Preferred Stock in accordance with the terms of the Hillside Agreement), the Security Agreement and the Intercreditor Agreement.

SECTION 5.09 Limitation on Designation of Unrestricted Subsidiaries. The Corporation will not designate any Subsidiary of the Corporation as an "Unrestricted Subsidiary" under the Indenture (a "Designation") after the Issue Date. Neither the Corporation nor any Restricted Subsidiary shall at any time (x) provide a Guarantee of or similar undertaking (including any undertaking, agreement or instrument evidencing such Indebtedness) with respect to any Indebtedness of an Unrestricted Subsidiary; provided that the Corporation and its Restricted Subsidiaries may pledge Capital Stock or Indebtedness of any Unrestricted Subsidiary on a nonrecourse basis such that the pledgee has no claim whatsoever against the Corporation other than to obtain such pledged property or (y) be directly or indirectly liable for any Indebtedness of any Unrestricted Subsidiary. The Corporation may not revoke any Designation of a Subsidiary as an Unrestricted Subsidiary. The Unrestricted Subsidiaries are set forth in Schedule F of this Indenture.

SECTION 5.10 Change of Control. (1) Upon a Change of Control, each Holder shall have the right to require that the Corporation repurchase such Holder' s Securities at a purchase price in cash equal to 101% of the principal amount thereof plus accrued and unpaid interest, if any, to the date of purchase (subject to the right of Holders of record on a record date to receive interest on the relevant payment date), in accordance with the terms contemplated in Section 5.10(2).

(2) Within 30 days following any Change of Control, the Corporation shall mail a notice to each Holder with a copy to the Trustee stating:

(a) that a Change of Control has occurred and that such Holder has the right to require the Corporation to purchase such Holder' s Securities at a purchase price in cash equal to 101% of the principal amount thereof plus accrued and unpaid interest, if any, to the date of purchase (subject to the right of Holders of record on a record date to receive interest on the relevant payment date);

(b) the repurchase date (which shall be no earlier than 30 days nor later than 60 days from the date such notice is mailed); and

(c) the procedures determined by the Corporation, consistent with this Section, that a Holder must follow in order to have its Securities purchased.

(3) Holders electing to have a Security purchased will be required to surrender the Security, with an appropriate form duly completed, to the Corporation at the address specified in the notice at least three Business Days prior to the purchase date. Holders will be entitled to withdraw their election if the Trustee or the Corporation receives not later than three Business Days prior to the purchase date, a telegram, telex, facsimile transmission or letter setting forth the name of the Holder, the principal amount of the Security which was delivered for purchase by the Holder and a statement that such Holder is withdrawing his election to have such Security purchased.

(4) On the purchase date, all Securities to be purchased by the Corporation under this Section shall be delivered to the Trustee for cancellation, and the Corporation shall pay the purchase price plus accrued and unpaid interest, if any, to the Holders entitled thereto.

(5) The Corporation shall comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations in connection with the repurchase of Securities pursuant to this Section. To the extent that the provisions of any securities laws or regulations conflict with provisions of this Section, the Corporation shall comply with the applicable securities laws and regulations and shall not be deemed to have breached its obligations under this Section by virtue thereof.

SECTION 5.11 Compliance Certificate: Notice of Defaults. The Corporation shall deliver to the Trustee within 120 days after the end of each fiscal year of the Corporation an Officers' Certificate stating that in the course of the performance by the signers of such Certificate of their duties as Officers of the Corporation they would normally have knowledge of any Default by the Corporation and whether or not the signers know of any Default or Event of Default that occurred during such period. If they do know of such a Default or Event of Default, the certificate shall describe the Default or Event of Default, its status and what action the Corporation is taking or proposes to take with respect thereto.

Promptly after an Officer of the Corporation obtains knowledge of a Default or Event Default under this Indenture, the Corporation will deliver to the Trustee an Officers' Certificate specifying such Default or Event of Default and what action the Corporation is taking or proposes to take thereto.

SECTION 5.12 Further Instruments and Acts. The Corporation will, upon request of the Trustee, execute and deliver such further instruments and do such further acts as may be reasonably necessary or proper to carry out more effectively the purposes of this Indenture.

SECTION 5.13 Hillside Credit Agreement. The Corporation will not, and will not permit any Restricted Subsidiary to, directly or indirectly (i) declare, pay, make or set aside any amount for payment in respect of the Hillside Agreement, the Hillside Credit Agreement, or the New Preferred Stock (or any Guarantee thereof) except for (x) regularly scheduled payments of interest at the non-default rate of interest (but no voluntary or mandatory prepayments) in respect of the Hillside Credit Agreement made on the interest payment date, provided that (a) the interest payment dates under the Hillside Credit Agreement shall be the same dates as the interest payment dates for the Securities, (b) the Corporation shall have paid in full the interest for the Securities due on such date, (c) no Event of Default has occurred and is continuing under the Securities, (d) the Corporation is not insolvent prior to and after giving effect to the interest payments in respect of the Hillside Credit Agreement, (e) after giving effect to the interest payments for the Securities and the Hillside Credit Agreement, the Corporation shall have at least $3 million of available liquidity (which shall not include any cash reserved for working capital purposes but which shall include any amounts available under any revolving credit facility available to it without giving effect to any waivers or amendments of funding conditions or the amount of the commitments that are not permanent) and (f) such payment is made solely from cash that but for application to such interest payment would constitute "Excess Cash Flow" and (y) out of pocket fees and expenses of third party agents and advisors of Hillside arising under the Hillside Credit Agreement, provided that such fees and expenses shall not exceed $75,000 in the aggregate while the Securities remain outstanding and fees and expenses to be paid to Hillside on the Effective Date as permitted by the Plan or (ii) amend or otherwise modify the terms of the Hillside Documents in any respect adverse to the Securityholders, except as expressly permitted in the Intercreditor Agreement. The Obligations of the Corporation and its Subsidiaries under the Hillside Documents shall at all times be subordinated and junior to the prior payment in full in cash of the Obligations of the Corporation and its Subsidiaries under the Indenture and the Liens securing the Obligations of the Corporation and its Subsidiaries under Hillside Documents shall at all times be junior and subject to the Liens securing the Obligations of the Corporation and its Subsidiaries under the Indenture, in each case in the manner provided in the Intercreditor Agreement.

SECTION 5.14 Taxes. The Corporation will pay, and will cause each of its Subsidiaries to pay, prior to delinquency, all material taxes, assessments, and governmental levies except such as are contested in good faith and by appropriate proceedings or where the failure to effect such payment could not reasonably be expected to result in a Material Adverse Effect and when adequate reserves have been taken in accordance with GAAP.

SECTION 5.15 Business Activities. The Corporation shall not, and shall not permit any of its Restricted Subsidiaries to, engage in any business other than Permitted Businesses, except to such extent as would not be material to the Corporation and its Restricted Subsidiaries taken as a whole.

SECTION 5.16 Corporate Existence. Subject to Article 6, hereof, the Corporation shall do or cause to be done all things necessary to preserve and keep in full force and effect:

(1) its corporate existence, and the corporate, partnership or other existence of each of its Subsidiaries, in accordance with the respective organizational documents (as the same may be amended from time to time) of the Corporation or any such Subsidiary; and

(2) the rights (charter and statutory), licenses and franchises of the Corporation and its Subsidiaries;

Provided, however, that the Corporation shall not be required to preserve any such right, license or franchise, or the corporate, partnership or other existence of any of its Subsidiaries, if the Board of Directors shall determine that the preservation thereof could not reasonably be expected to result in a Material Adverse Effect.

SECTION 5.17 Additional Note Guarantees. If the Corporation or any of its Restricted Subsidiaries acquires or creates another Domestic Subsidiary after the date of this Indenture, then that newly acquired or created Domestic Subsidiary will become a Subsidiary Guarantor and execute a supplemental indenture and a joinder to the Security Agreement and shall take all such further actions and execute all such further documents and instruments as may be necessary or, in the opinion of the Trustee, desirable to create in favor of the Collateral Agent, for the benefit of the Securityholders, a valid and perfected first priority security interest in all of the assets of such Domestic Subsidiary whether now existing or hereafter acquired (other than Excluded Assets, as defined in the Security Agreement) and deliver an Opinion of Counsel as to the validity and perfection of such security interest subject to customary exceptions and qualifications reasonably satisfactory to the Trustee within 30 days of the date on which it was acquired or created. The Corporation shall not, and shall not permit any Subsidiary to Guarantee any Obligations under the Hillside Documents or grant or permit any additional Liens on any asset or property to secure any Obligations under the Hillside Documents unless it has caused such Subsidiary to enter into a Subsidiary Guarantee or granted a Lien on such asset or property to secure the Securities in accordance with the priorities in the Intercreditor Agreement, as the case may be.

SECTION 5.18 No Senior or Pari Passu Indebtedness. The Corporation shall not, and shall not permit any Restricted Subsidiary to, Incur or suffer to exist Indebtedness that is senior or *pari passu* in right of payment to the Securities or the Subsidiary Guarantees, as the case may be; except for *pari passu* Indebtedness expressly permitted by this Indenture or the Intercreditor Agreement.

ARTICLE 6

Restrictions on Merger.

Restrictions on Merger. (a) The Corporation shall not consolidate with or merge with or into, or convey or transfer or lease in one transaction or a series of related transactions, all or substantially all of its assets to, another Person.

(b) The Corporation shall not permit any Subsidiary Guarantor to consolidate with or merge with or into, or convey, transfer or lease, in one transaction or a series of transactions, all or substantially all of its assets to any Person.

Notwithstanding the foregoing clauses (a) and (b), any Subsidiary Guarantor may consolidate with, merge into or transfer all or part of its property and assets to the Corporation or another Subsidiary Guarantor.

ARTICLE 7

Defaults and Remedies

SECTION 7.01 Events of Default. An "Event of Default" occurs if:

(1) the Corporation defaults in the payment of interest on any Security when the same becomes due and payable, and such default continues for a period of 5 days;

(2) the Corporation (i) defaults in the payment of the principal of any Security when the same becomes due and payable at its Stated Maturity, upon redemption, upon declaration of acceleration or otherwise; (ii) fails to apply Excess Cash Flow or distributions from the Intercreditor Agreement or the Net Proceeds of any Equity Issuance or the Net Available Cash from an Asset Sale to prepay the Securities in the manner described in Article 3 and/or Article 5 or (iii) otherwise fails to prepay, redeem or purchase any securities when required pursuant to the Indenture or the Securities;

(3) the Corporation fails to comply with Article 6 [Restrictions on Merger] or Sections 5.10 [Change of Control] or 5.13 [Hillside Credit Agreement] hereof;

(4) the Corporation fails to observe or perform any of its covenants or agreements set forth in Sections 5.02 [SEC Reports], 5.03 [Limitation on Indebtedness], 5.04 [Limitation on Restricted Payments], 5.05 [Limitation on Asset Sales; Equity Issuances], 5.06 [Limitation on Liens], 5.07 [Limitation on Dividends and Other Payment Restrictions Affecting Restricted Subsidiaries], 5.08 [Limitation on Transactions with Affiliates], 5.09 [Limitation on Designation of Unrestricted Subsidiaries], or 5.18 [No Senior or Pari Passu Indebtedness] hereof or in the Security Agreement or in the Intercreditor Agreement and the Default continues for a period of 10 days;

(5) the Corporation fails to observe or perform any of its covenants or agreements set forth in the Securities or in this Indenture other than the covenants and agreements specified in clause (1), (2), (3) or (4) above and the Default continues for a period of 15 days;

(6) a default or event of default (as such term is defined in the instrument or agreement under which any Indebtedness is issued) occurs under any instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness of the Corporation or any Restricted Subsidiary, whether such Indebtedness now exists or shall be created hereafter, that permits or results in the right of the holders of such Indebtedness to accelerate such Indebtedness (regardless of whether such Indebtedness is so accelerated) or any default occurs in the payment of the principal amount of such Indebtedness at final maturity, if the total of all such Indebtedness that may be accelerated or which becomes due and payable exceeds $100,000 or its foreign currency equivalent at the time, in each case notwithstanding any notice requirement or grace periods applicable to any default or event of default;

(7) any judgment or decree for the payment of money in excess of $500,000 or its foreign currency equivalent at the time is entered against the Corporation or any Restricted Subsidiary, remains outstanding after the entry of such judgment or decree and is not discharged, waived or the execution thereof stayed for a period of 30 days;

(8) the Corporation or any Restricted Subsidiary pursuant to or within the meaning of any Bankruptcy Law:

(a) commences a voluntary case;

(b) consents to the entry of an order for relief against it in an involuntary case;

(c) consents to the appointment of a Custodian of it or for any substantial part of its property; or

(d) makes a general assignment for the benefit of its creditors; or takes any comparable action under any foreign laws relating to insolvency; or

(e) generally is not paying its debts as they come due;

(9) a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that:

(a) is for relief against the Corporation or any Restricted Subsidiary in an involuntary case;

(b) appoints a Custodian of the Corporation or any Restricted Subsidiary or for any substantial part of its property; or

(c) orders the winding up or liquidation of the Corporation or any Restricted Subsidiary; or

(d) any similar relief is granted under any foreign laws; and, in the case of (a), (b), (c) or (d), such order or decree or similar grant of relief remains unstayed and in effect for 60 days.

(10) a Subsidiary Guarantee ceases to be in full force and effect (other than in accordance with the terms of such Subsidiary Guarantee) or a Subsidiary Guarantor denies or disaffirms its obligations under its Subsidiary Guarantee; or

(11) any security interest granted under the Security Agreement shall, at any time, cease to be in full force and effect and valid and perfected and, except to the extent permitted by the Security Agreement, this Indenture and the Intercreditor Agreement, a first priority Lien for any reason other than the satisfaction in full of all Obligations under this Indenture secured by such security interest or the release of such security interest in accordance with the provisions of the Security Agreement and the Intercreditor Agreement or the Corporation or any Restricted Subsidiary shall assert, in any pleading in any court of competent jurisdiction, that any such security interest is invalid or unenforceable.

The term "Bankruptcy Law" means Title 11, United States Code, or any similar Federal or state law for the relief of debtors. The term "Custodian" means any receiver, trustee, assignee, liquidator, custodian or similar official under any Bankruptcy Law.

The Corporation shall deliver to the Trustee, promptly and in any event within 10 days after the occurrence thereof, written notice in the form of an Officers' Certificate of any event which with the giving of notice and the lapse of time would become an Event of Default under clause (1), (2), (3), (4), (5), (6), (7), (10) or (11) hereof, its status and what action the Corporation is taking or proposes to take with respect thereto.

The Trustee shall not be charged with knowledge of any Default or Event of Default unless written notice thereof referring expressly to this Section 7.01 shall have been given to a Trust Officer at the Corporate Trust Office of the Trustee by the Corporation or any other Person.

SECTION 7.02 Acceleration. If an Event of Default (other than an Event of Default specified in Section 7.01(8) or (9) with respect to the Corporation) occurs and is continuing, the Trustee by notice to the Corporation, or the Holders of at least 25% in principal amount of the Securities by notice to the Corporation and the Trustee, may declare the principal of and accrued interest on all the Securities to be due and payable. Upon such a declaration, such principal and interest shall be due and payable immediately. If an Event of Default specified in Section 7.01(8) or (9) with respect to the Corporation occurs, the principal of and all accrued interest on the Securities shall ipso facto become immediately due and payable without any declaration or other action on the part of the Trustee or any Securityholders. The Holders of a majority in principal amount of the Securities by notice to the Trustee may rescind an acceleration and its consequences if the rescission would not conflict with any judgment or decree and if all existing Events of Default have been cured or waived except nonpayment of principal or interest that has become due solely because of acceleration. No such rescission shall affect any subsequent Default or Event of Default or impair any right consequent thereto.

SECTION 7.03 Other Remedies. If an Event of Default occurs and is continuing, the Trustee may pursue any available remedy to collect the payment of principal of or interest on the Securities or to enforce the performance of any provision of the Securities or this Indenture or of the Security Agreement or Intercreditor Agreement.

The Trustee may maintain a proceeding even if it does not possess any of the Securities or does not produce any of them in the proceeding. A delay or omission by the Trustee or any Securityholder in exercising any right or remedy accruing upon an Event of Default shall not impair the right or remedy or constitute a waiver of or acquiescence in the Event of Default. No remedy is exclusive of any other remedy. All available remedies are cumulative.

SECTION 7.04 Waiver of Past Defaults. The Holders of a majority in principal amount of the Securities by notice to the Trustee may waive an existing Default or Event of Default and its consequences except (i) a Default in the payment of the principal or interest on a Security or (ii) a Default in respect of a provision that under Section 10.02 cannot be amended without the consent of the Securityholders affected. When a Default is waived, it is deemed cured, but no such waiver shall extend to any subsequent or other Default or Event of Default or impair any consequent right.

SECTION 7.05 Control by Majority. The Holders of a majority in principal amount of the Securities may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or of exercising any trust or power conferred on it. However, the Trustee may refuse to follow any direction that conflicts with law or this Indenture or, subject to Section 8.01, that the Trustee determines is unduly prejudicial to the rights of other Securityholders or would involve the Trustee in personal liability; provided, however, that the Trustee may take any other action deemed proper by the Trustee that is not inconsistent with such direction. Prior to taking any action hereunder, the Trustee shall be entitled to indemnification satisfactory to it in its sole discretion against all losses and expenses caused by taking or not taking such action.

SECTION 7.06 Limitation on Suits. A Securityholder may not pursue any remedy with respect to this Indenture or the Securities unless:

(1) the Holder gives to the Trustee written notice stating that an Event of Default is continuing;

(2) the Holders of at least 25% in principal amount of the Securities make a written request to the Trustee to pursue the remedy;

(3) such Holder or Holders offer and, if requested, provide to the Trustee reasonable security or indemnity against any loss, liability or expense;

(4) the Trustee does not comply with the request within 60 days after receipt of the request and the offer and, if requested, provision of security or indemnity; and

(5) the Trustee has not received from the Holders of a majority of principal amount of the Securities a direction inconsistent with the request during such 60-day period.

A Securityholder may not use this Indenture to prejudice the rights of another Securityholder or to obtain a preference or priority over another Securityholder.

SECTION 7.07 Rights of Holders To Receive Payment. Notwithstanding any other provision of this Indenture, the right of any Holder to receive payment of principal of and interest on the Securities held by such Holder, on or after the respective due dates expressed in the Securities, or to bring suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected without the consent of such Holder.

SECTION 7.08 Collection Suit by Trustee. If an Event of Default in payment of interest or principal specified in Section 7.01(1) or (2) occurs and is continuing, the Trustee may recover judgment in its own name and as trustee of an express trust against the Corporation for the whole amount of principal and interest remaining unpaid and the amounts provided for in Section 8.07.

SECTION 7.09 Trustee May File Proofs of Claim. Subject to Section 7.05, the Trustee may file such proofs of claim and other papers or documents and take other action including participating as a member (voting or otherwise) of any committee of creditors appointed in the matter as may be necessary or advisable in order to have the claims of the Trustee and the Securityholders allowed in any judicial proceedings relative to the Corporation or any Subsidiary Guarantor, its creditors or its property and, unless prohibited by law or applicable regulations, may vote on behalf of the Holders in any election of a trustee in bankruptcy or other person performing similar functions, and any Custodian in any such judicial proceeding is hereby authorized by each Holder to make payments to the Trustee and, in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay to the Trustee any amount due it for the costs and expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and its counsel, and any other amounts due the Trustee under Section 8.07.

SECTION 7.10 Priorities. If the Trustee collects any money pursuant to this Article, it shall pay out the money in the following order:

FIRST: to the Trustee for amounts due under Section 8.07;

SECOND: to Securityholders for amounts due and unpaid on the Securities for principal and interest, ratably, without preference or priority of any kind, according to the amounts due and payable on the Securities for principal and interest, respectively;

THIRD: pursuant to the Intercreditor Agreement; and

FOURTH: to the Corporation.

The Trustee may fix a record date and payment date for any payment to Securityholders pursuant to this Section. At least 15 days before such record date, the Corporation shall mail to each Securityholder and the Trustee a notice that states the record date, the payment date and amount to be paid.

SECTION 7.11 Undertaking for Costs. In any suit for the enforcement of any right or remedy under this Indenture or in any suit against the Trustee for any action taken or omitted by it as Trustee, a court in its discretion may require the filing by any party litigant in the suit of an undertaking to pay the costs of the suit, and the court in its discretion may assess reasonable costs, including reasonable attorneys' fees, against any party litigant in the suit, having due regard to the merits and good faith of the claims or defenses made by the party litigant. This Section does not apply to a suit by the Trustee, a suit by a Holder pursuant to Section 7.07 or a suit by Holders of more than 10% in principal amount of the Securities.

SECTION 7.12 Waiver of Stay or Extension Laws. The Corporation (to the extent it may lawfully do so) shall not at any time insist upon, or plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay or extension law wherever enacted, now or at any time hereafter in force, which may affect the covenants or the performance of this Indenture; and the Corporation (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law; and shall not hinder, delay or impede the execution of any power herein granted to the Trustee, but shall suffer and permit the execution of every such power as though no such law had been enacted.

ARTICLE 8

Trustee

SECTION 8.01 Duties of Trustee. (1) If an Event of Default has occurred and is continuing, the Trustee shall exercise its rights and powers and use the same degree of care and skill in its exercise as a prudent person would exercise or use in the circumstances in the conduct of such person' s own affairs.

(2) Except during the continuance of an Event of Default known to the Trustee:

(a) the duties of the Trustee shall be determined solely by the express provisions of this Indenture and the Trustee need perform only those duties that are specifically set forth in this Indenture and no others and no implied covenants or obligations shall be read into this Indenture; and

(b) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture. However, the Trustee shall examine the certificates and opinions to determine whether or not they conform to the requirements of this Indenture.

(3) The Trustee shall not be relieved from liability for its own negligent action, its own negligent failure to act or its own willful misconduct, except that:

(a) this paragraph does not limit the effect of paragraph (b) of this Section;

(b) the Trustee shall not be liable for any error of judgment made in good faith by a Trust Officer unless it is proved that the Trustee was negligent in ascertaining the pertinent facts; and

(c) the Trustee shall not be liable with respect to any action it takes or omits to take in good faith in accordance with a direction in writing received by it pursuant to Section 7.05.

(4) Every provision of this Indenture that in any way relates to the Trustee is subject to paragraphs (1), (2), (3), (5), (6) (7) and (8) of this Section 8.01 and Section 8.02.

(5) The Trustee shall not be liable for interest on any money received by it except as the Trustee may agree with the Corporation.

(6) Money held in trust by the Trustee need not be segregated from other funds except to the extent required by law.

(7) The Trustee shall not be deemed to know of any Default (other than as provided in Sections 7.01 and 7.02) or other fact or circumstances upon the occurrence of which it may be require to take action hereunder unless and until one of its Trust Officers receives written notice of or has actual knowledge thereof.

(8) No provision of this Indenture or the Security Agreement or the Intercreditor Agreement shall require the Trustee to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties hereunder or in the exercise of any rights or powers if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risks or liabilities is not reasonably assured to it.

(9) Every provision of the Indenture relating to the conduct or affecting the liability or affording protection to the Trustee shall be subject to the provisions of this Section and to the applicable provisions of the TIA.

SECTION 8.02 Rights of Trustee. (1) The Trustee may conclusively rely on, and shall be protected from acting or refraining from acting based upon, any document believed by it to be genuine and to have been signed or presented by the proper person. The Trustee need not investigate any fact or matter stated in the document.

(2) Before the Trustee acts or refrains from acting, it may require an Officers' Certificate and/or an Opinion of Counsel, which shall comply with the provisions of Section 13.05. The Trustee shall not be liable for any action it takes or omits to take in good faith in reliance on the Officers' Certificate or Opinion of Counsel.

(3) The Trustee may act through agents and shall not be responsible for the misconduct or negligence of any agent appointed with due care.

(4) The Trustee shall not be liable for any action it takes or omits to take in good faith which it believes to be authorized or within its rights or powers provided that the Trustee' s conduct does not constitute negligence or bad faith.

(5) Unless otherwise specifically provided in this Indenture, any demand, request, direction or notice from the Corporation shall be sufficient if signed by an Officer.

SECTION 8.03 Individual Rights of Trustee. The Trustee in its individual or any other capacity may become the owner or pledgee of Securities and may otherwise deal with the Corporation or its Affiliates with the same rights it would have if it were not Trustee. However, if the Trustee acquires any conflicting interest it must eliminate such conflict within 90 days, apply to the Commission for permission to continue as Trustee or resign. Any Paying Agent, Registrar or co-registrar may do the same with like rights. However, the Trustee must comply with Sections 8.10 and 8.11.

SECTION 8.04 Trustee' s Disclaimer and Direction. The Trustee shall not be responsible for and makes no representation as to the validity or adequacy of this Indenture, the Intercreditor Agreement, the Security Agreement or the Securities, it shall not be accountable for the Corporation' s use of the proceeds from the Securities, and it shall not be responsible for any statement of the Corporation in this Indenture, pursuant to this Indenture or any document issued in connection with the sale of the Securities or in the Securities other than the Trustee' s certificate of authentication.

SECTION 8.05 Notice of Default. If a Default or an Event of Default occurs and is continuing and the Trustee has knowledge of such event, the Trustee shall mail to each Securityholder notice of the Default or Event of Default within 10 days after the occurrence thereof, unless such Default or Event of Default has been cured. Except in the case of a Default in payment of principal of or interest on any Security, the Trustee may withhold the notice if and as long as a committee of its Trust Officers in good faith determines that withholding the notice is in the interests of Securityholders.

SECTION 8.06 Reports by Trustee to Holders. Within 60 days after September 15, 2008, the Trustee shall, to the extent that any of the events described in TIA Section 313(a) have occurred since the Effective Date, but not otherwise, shall mail to each Securityholder a brief report dated as of September 15 that complies with TIA Section 313(a). The Trustee also shall comply with TIA Section 313(b).

SECTION 8.07 Compensation and Indemnity. The Corporation shall pay to the Trustee from time to time reasonable compensation for its services. The Trustee' s compensation shall not be limited by any law on compensation of a trustee of an express trust. The Corporation shall reimburse the Trustee upon request for all reasonable out-of-pocket expenses incurred or made by it in addition to the compensation for its services. Such expenses shall include the reasonable compensation and expenses, disbursements and advances of the Trustee' s agents and counsel. The Corporation shall indemnify the Trustee against any and all loss, liability or expense (including attorneys' fees) incurred by it without negligence or bad faith on its part in connection with the administration of this trust and the performance of its duties hereunder. The Trustee shall promptly notify the Corporation promptly of any claim for which it may seek indemnity. Failure by the Trustee to so notify the Corporation shall not relieve the Corporation of its obligations hereunder. The Corporation shall defend the claim and the Trustee may have separate counsel and the Corporation shall pay the fees and expenses of such counsel. The Corporation need not reimburse any expense or indemnify against any loss or liability incurred by the Trustee through the Trustee' s own negligence or bad faith.

To secure the Corporation' s payment obligations in this Section, the Trustee shall have a lien prior to the Securities on all money or property held or collected by the Trustee, except that held in trust to pay principal of and interest on particular Securities. Such Lien shall survive the satisfaction and discharge of this Indenture.

The Corporation' s payment obligations pursuant to this Section shall survive the discharge of this Indenture. When the Trustee incurs expenses after the occurrence of an Event of Default specified in subsection 7.01(8) or (9), the expenses are intended to constitute expenses of administration under the Bankruptcy Law.

SECTION 8.08 Replacement of Trustee. The Trustee may resign at any time by so notifying the Corporation. The Holders of a majority in principal amount of the Securities may remove the Trustee by so notifying the Trustee in writing and may appoint a successor Trustee. The Corporation may remove the Trustee if:

(1) the Trustee fails to comply with Section 8.10;

(2) the Trustee is adjudged a bankrupt or insolvent;

(3) a receiver or other public officer takes charge of the Trustee or its property; or

(4) the Trustee otherwise becomes incapable of acting.

If the Trustee resigns or is removed or if a vacancy exists in the office of Trustee for any reason (the Trustee in such event being referred to herein as the retiring trustee) the Corporation shall promptly appoint a successor Trustee.

A successor Trustee shall deliver a written acceptance of its appointment to the retiring Trustee and to the Corporation. Immediately after receiving such acceptance, the retiring Trustee shall transfer all property held by it as Trustee to the successor Trustee, subject to the lien provided for in Section 8.07, the resignation or removal of the retiring Trustee shall then become effective, and the successor Trustee shall have all the rights, powers and duties of the Trustee under this Indenture. A successor Trustee shall mail notice of its succession to each Securityholder.

If a successor Trustee does not take office within 60 days after the retiring Trustee resigns or is removed, the retiring Trustee, the Corporation or the Holders of a majority in principal amount of the Securities may petition any court of competent jurisdiction for the appointment of a successor Trustee.

If the Trustee fails to comply with Section 8.10, any Securityholder may petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee.

SECTION 8.09 Successor Trustee by Merger. If the Trustee consolidates with, merges or converts into, or transfers all or substantially all its corporate trust business or assets to, another corporation or banking association, the resulting, surviving or transferee corporation without any further act shall be the successor Trustee.

In case at the time such successor or successors by merger, conversion or consolidation to the Trustee shall succeed to the trusts created by this Indenture any of the Securities shall have been authenticated but not delivered, any such successor to the Trustee may adopt the certificate of authentication of any predecessor trustee, and deliver such Securities so authenticated; and in case at that time any of the Securities shall not have been authenticated, any successor to the Trustee may authenticate such Securities either in the name of any predecessor hereunder or in the name of the successor to the Trustee; and in all such cases such certificates shall have the full force which it is anywhere in the Securities or in this Indenture provided that the certificate of the Trustee shall have.

SECTION 8.10 Eligibility; Disqualification. The Trustee shall at all times satisfy the requirements of TIA Section 310(a)(1). The Trustee shall have a combined capital and surplus of at least $50,000,000 as set forth in its most recent published annual report of condition. The Trustee shall comply with TIA Section 310(b), including the optional provision permitted by the second sentence of TIA Section 310(b)(9); provided, however, that there shall be excluded from the operation of TIA Section 310(b)(2) any indenture or indentures under which other securities or certificates of interest or participation in other securities of the Corporation are outstanding if the requirement for such exclusions set forth in TIA Section 310(b)(1) are met.

SECTION 8.11 Preferential Collection of Claims Against Corporation. The Trustee shall comply with TIA Section 311(a), excluding any creditor relationship listed in TIA Section 311(b). A Trustee who has resigned or been removed shall be subject to TIA Section 311(a) to the extent indicated.

ARTICLE 9

Satisfaction and Discharge of Indenture

SECTION 9.01 Discharge of Liability on Securities; Defeasance. (1) When (i) the Corporation delivers to the Trustee all outstanding Securities (other than Securities replaced pursuant to Section 2.10) for cancellation or (ii) all outstanding Securities have become due and payable and the Corporation irrevocably deposits with the Trustee funds sufficient to pay at maturity or upon redemption all outstanding Securities including interest thereon if any (other than Securities replaced pursuant to Section 2.10), and if in either case the Corporation pays all other sums payable hereunder by the Corporation, then this Indenture shall, subject to Sections 9.01(3) and 9.06, cease to be of further effect. Upon satisfaction of the conditions set forth herein and upon the Corporation' s request (and at the Corporation' s expense), the Trustee shall acknowledge satisfaction and discharge of this Indenture on demand of the Corporation accompanied by an Officers' Certificate and an Opinion of Counsel and at the cost and expense of the Corporation.

(2) Subject to Sections 9.01(3), 9.02 and 9.06, the Corporation at any time may terminate (i) all its obligations under the Securities and this Indenture ("legal defeasance option") or (ii) its obligations under Sections 5.02 through 5.18 and the operation of Sections 7.01(3), 7.01(4), 7.01(5), 7.01(6), 7.01(7); 7.01(10) and 7.01(11) (with respect to Restricted Subsidiaries and Subsidiary Guarantors) ("covenant defeasance option"). The Corporation may exercise its legal defeasance option notwithstanding its prior exercise of its covenant defeasance option.

If the Corporation exercises its legal defeasance option, the Securities may not be accelerated because of an Event of Default. If the Corporation exercises its covenant defeasance option, the Securities, may not be accelerated because of an Event of Default specified in Sections 7.01(3), (4), (5), (6), (7), (10) and (11) (with respect to Restricted Subsidiaries and Subsidiary Guarantors). If the Corporation exercises its legal defeasance option or its covenant defeasance option, each Subsidiary Guarantor, if any, shall be released from all its obligations with respect to its Subsidiary Guarantee.

Before or after a deposit, the Corporation may make arrangements satisfactory to the Trustee for the redemption of Securities at a future date in accordance with Article 4.

Upon satisfaction of the conditions set forth herein and upon request of the Corporation, the Trustee shall acknowledge in writing the discharge of those obligations that the Corporation terminates.

(3) Notwithstanding clauses (1) and (2) above, the Corporation' s obligations in Sections 2.03, 2.04, 2.05, 2.08, 2.09, 8.07, 8.08, 9.04, 9.05 and 9.06 shall survive until the Securities have been paid in full. Thereafter the Corporation' s obligations in Sections 8.07, 9.04 and 9.05 shall survive.

SECTION 9.02 Conditions to Defeasance. The Corporation may exercise its legal defeasance option or its covenant defeasance option only if:

(1) the Corporation irrevocably deposits in trust with the Trustee money or U.S. Government Obligations for the payment of principal and interest on the Securities to maturity or redemption, as the case may be;

(2) the Corporation delivers to the Trustee a certificate from a nationally recognized firm of independent accountants expressing their opinion that the payments of principal and interest when due and without reinvestment on the deposited U.S. Government Obligations plus any deposited money without investment will provide cash at such times and in such amounts (but not more than such amounts) as will be sufficient to pay principal and interest when due on all the Securities to maturity or redemption, as the case may be;

(3) 123 days pass after the deposit is made and during the 123 day period no Event of Default specified in Sections 7.01(8) or (9) (without giving effect to the period of time referred to therein) occurs which is continuing at the end of the period;

(4) no Default or Event of Default has occurred and is continuing on the date of such deposit and after giving effect thereto;

(5) the Corporation delivers to the Trustee an Opinion of Counsel to the effect that the trust resulting from the deposit does not constitute, or is qualified as, a regulated investment corporation under the Investment Corporation Act of 1940;

(6) In the case of the legal defeasance option, the Corporation shall have delivered to the Trustee an Opinion of Counsel stating that (i) the Corporation has received from, or there has been published by, the Internal Revenue Service a ruling, or (ii) since the date of this Indenture there has been a change in the applicable Federal income tax law, in either case to the effect that, and based thereon such Opinion of Counsel shall confirm that, the Security holders will not recognize income, gain or loss for Federal income tax purposes as a result of such defeasance and will be subject to Federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such defeasance had not occurred;

(7) in the case of the covenant defeasance option, the Corporation shall have delivered to the Trustee an opinion of Counsel to the effect that the Securityholders will not recognize income, gain or loss for Federal income tax purposes as a result of such covenant defeasance and will be subject to Federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such covenant defeasance had not occurred; and

(8) the Corporation delivers to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent to the defeasance and discharge of the Securities as contemplated by this Article 9 have been complied with.

SECTION 9.03 Application of Trust Money. The Trustee shall hold in trust money or U.S. Government Obligations deposited with it pursuant to Section 9.02. It shall apply the deposited money and the money from U.S. Government Obligations through the Paying Agent and in accordance with this Indenture to the payment of principal of and interest on the Securities.

SECTION 9.04 Repayment to Corporation. The Trustee and the Paying Agent shall promptly turn over to the Corporation upon request any excess money or securities held by them at any time.

Subject to any applicable abandoned property law, the Trustee and the Paying Agent shall pay to the Corporation upon request any money held by them for the payment of principal or interest that remains unclaimed for two years and, thereafter, Securityholders entitled to the money must look to the Corporation for payment as general creditors.

SECTION 9.05 Indemnity for Government Obligations. The Corporation shall pay and shall indemnify the Trustee against any tax, fee or other charge imposed on or assessed against deposited U.S. Government Obligations or the principal and interest received on such U.S. Government Obligations.

SECTION 9.06 Reinstatement. If the Trustee or Paying Agent is unable to apply any money or U.S. Government Obligations in accordance with Article 9 by reason of any legal proceeding or by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, the Corporation' s obligations under this Indenture and the Securities and the obligations of the Subsidiary Guarantors under the Subsidiary Guarantees shall be revived and reinstated as though no deposit had occurred pursuant to Article 9 until such time as the Trustee or Paying Agent is permitted to apply all such money or U.S. Government Obligations in accordance with this Article 9; provided, however, that if the Corporation has made any payment of interest on or principal of any Securities because of the reinstatement of its obligations, the Corporation shall be subrogated to the rights of the Holders of such Securities to receive such payment from the money or U.S. Government Obligations held by the Trustee or Paying Agent.

ARTICLE 10

Amendments, Supplements and Waivers

SECTION 10.01 Without Consent of Holders. The Corporation and the Trustee may amend or supplement this Indenture or the Securities or the Security Agreement or the Intercreditor Agreement without notice to or consent of any Securityholder:

(1) to cure any ambiguity, omission, defect or inconsistency;

(2) to provide for the assumption by a successor Person of the obligations of the Corporation or any Subsidiary Guarantor under this Indenture in accordance with the provisions of Article 6;

(3) to provide for uncertificated Securities in addition to or in place of certificated Securities;

(4) to add Guarantees with respect to the Securities, including any Subsidiary Guarantees;

(5) to provide for additional Collateral; or

(6) to add to the covenants of the Corporation or any Subsidiary Guarantor for the benefit of the Holders or to surrender any right or power herein conferred upon the Corporation or any Subsidiary Guarantor; or

(7) to comply with any requirements of the SEC in connection with the qualification of the Indenture under the TIA if such qualification is required; or

(8) to make any change that does not adversely affect the rights of any Securityholder.

Upon the Corporation' s request, after receipt by the Trustee of a resolution of the Board of Directors authorizing the execution of any amended or supplemental indenture, the documents described in Section 10.06 hereof, the Trustee shall join with the Corporation in the execution of any amended or supplemental indenture authorized or permitted by the terms of this Indenture and to make any further appropriate agreements and stipulations that may be contained in any such amended or supplemental indenture, but the Trustee shall not be obligated to enter into an amended or supplemental indenture that affects its own rights, duties or immunities under this Indenture or otherwise.

SECTION 10.02 With Consent of Holders. The Corporation may amend or supplement this Indenture or the Securities or the Security Agreement or the Intercreditor Agreement without notice to any Securityholder but with the written consent of the Holders of at least a majority in principal amount of the Securities. Subject to Sections 7.04 and 7.07 hereof, the Holders of a majority in principal amount of the Securities may waive any past default or compliance by the Corporation with any provision of this Indenture or the Securities or the Security Agreement or the Intercreditor Agreement without notice to any Securityholder. However, without the consent of each Securityholder affected, an amendment, supplement or waiver, including a waiver pursuant to Section 7.04, may not:

(1) reduce the amount of Securities whose Holders must consent to an amendment, supplement or waiver;

(2) reduce the rate of or extend the time for payment of interest on any Security;

(3) reduce the principal of or extend the fixed maturity of any Security;

(4) alter or waive any of the provisions in Article 3 or any of the provisions with respect to the stated redemption of the Securities;

(5) make any Security payable in money other than that stated in the Security;

(6) make any change in Section 7.04 or 7.07 or this Section;

(7) waive any Default in the payment of principal of or interest on any Security;

(8) agree to release all or substantially all of the Collateral or subordinate the first priority Lien and security interest of the Securityholders in the Collateral; or

(9) permit the payment priority of any Indebtedness to be senior to the Securities.

Upon the Corporation' s request and after receipt by the Trustee of a resolution of the Board of Directors authorizing the execution of any supplemental indenture, evidence of the Holders' consent, and the documents described in Section 10.06 hereof, the Trustee shall join with the Corporation in the execution of any amended or supplemental indenture unless such amended or supplemental indenture affects the Trustee' s own rights, duties or immunities under this Indenture or otherwise, in which case the Trustee may in its discretion, but is not obligated to, enter into such amended or supplemental indenture.

It shall not be necessary for the consent of the Holders under this Section 10.02 to approve the particular form of any proposed amendment, supplement or waiver, but it shall be sufficient if such consent approves the substance thereof.

After an amendment under this Section becomes effective, the Corporation shall mail to Securityholders a notice briefly describing such amendment. The failure to give such notice to all Securityholders, or any defect therein, shall not impair or affect the validity of an amendment otherwise validly adopted under this Section 10.02.

SECTION 10.03 Compliance with Trust Indenture Act. If at the time of an amendment to or Supplement of this Indenture or the Securities, this Indenture shall be qualified under the TIA, every amendment to or supplement of this Indenture or the Securities shall comply with the TIA as then in effect.

SECTION 10.04 Revocation and Effect of Consents. A consent to an amendment, supplement or waiver by a Holder of a Security shall bind the Holder and every subsequent Holder of that Security or portion of the Security that evidences the same debt as the consenting Holder' s Security, even if notation of the consent is not made on the Security. However, any such Holder or subsequent Holder may revoke the consent as to such Holder' s Security or portion of the Security if the Trustee receives the notice of revocation before the date the amendment, supplement or waiver becomes effective. After an amendment, supplement or waiver becomes effective in accordance with Section 10.01 or 10.02, it shall bind every Securityholder.

The Corporation may, but shall not be obligated to, fix a record date for the purpose of determining the Securityholders entitled to give their consent or take any other action described above or required or permitted to be taken pursuant to this Indenture. If a record date is fixed, then notwithstanding the immediately preceding paragraph, those Persons who were Securityholders at such record date (or their duly designated proxies), and only those Persons, shall be entitled to give such consent or to revoke any consent previously given or to take any such action, whether or not such Persons continue to be Holders after such record date. No such consent shall be valid or effective for more than 90 days after such record date unless consents from Holders of the principal amount of Securities required hereunder for such amendment or waiver to be effective shall also have been given and not revoked within such 90 day period.

SECTION 10.05 Notation on or Exchange of Securities. If an amendment, supplement or waiver changes the terms of a Security, the Trustee may require the Holder of the Security to deliver it to the Trustee. The Trustee may place an appropriate notation on the Security regarding the changed terms and return it to the Holder. Alternatively, if the Corporation or the Trustee so determines, the Corporation in exchange for the Security shall issue and the Trustee shall authenticate a new Security that reflects the changed terms.

SECTION 10.06 Trustee To Sign Amendments. The Trustee shall sign any amendment, supplement or waiver authorized pursuant to this Article if the amendment, supplement or waiver does not adversely affect the rights, duties, liabilities or immunities of the Trustee. If it does, the Trustee may but need not sign it. In signing such amendment, supplement or waiver the Trustee shall be entitled to receive an indemnity satisfactory to it and to receive, and (subject to Section 8.01) shall be fully protected in relying upon, an Officers' Certificate and an Opinion of Counsel stating that such amendment, supplement or waiver is authorized or permitted by this Indenture.

SECTION 10.07 Payment for Consent. Neither the Corporation nor any Affiliate of the Corporation shall, directly or indirectly, pay or cause to be paid any consideration, whether by way of interest, fee or otherwise, to any Holder for or as an inducement to any consent, waiver or amendment of any of the terms or provisions of this Indenture or the Securities unless such consideration is offered to be paid to all Holders that so consent, waive or agree to amend in the time frame set forth in solicitation documents relating to such consent, waiver or agreement.

ARTICLE 11

Concerning the Collateral

SECTION 11.01 Security Agreement. To secure the due and punctual payment of the principal of and interest on the Securities when and as the same shall be due and payable, whether on a payment date, at maturity, by acceleration or otherwise, and interest on the overdue principal of and interest (to the extent permitted by law), if any, on the Securities and performance of all other Obligations of the Corporation to the Holders or the Trustee under this Indenture and the Securities, according to the terms hereunder or thereunder, the Corporation and

each Subsidiary Guarantor has simultaneously with the execution of this Indenture granted a security interest to the Collateral Agent, of its right, title and interest in and to the Collateral pursuant to the Security Agreement in the manner and to the extent therein provided. The Collateral Agent is hereby authorized and directed to execute and deliver such Security Agreement in the form presented to it. Each Holder, by accepting a Security, authorizes the Collateral Agent to enter into and perform the Security Agreement, and agrees to all of the terms and provisions of the Security Agreement, as the same may be in effect or may be amended from time to time in accordance with the terms hereof. Simultaneously with the execution of this Indenture, the Trustee is hereby authorized and directed to enter into the Intercreditor Agreement. The Corporation will and will cause each Subsidiary Guarantor to, execute, acknowledge and deliver to the Trustee and the Collateral Agent, such further assignments, transfers, assurances or other instruments as the Trustee or the Collateral Agent may require or request, and will do or cause to be done all such acts and things as may be necessary or proper, or as may be reasonably required by the Trustee, or the Collateral Agent, including the furnishing of an Opinion of Counsel, to assure and confirm to the Trustee or the Collateral Agent the security interest in the Collateral contemplated hereby and by the Security Agreement, or by any part thereof, as from time to time constituted, so as to render the same available for the security and benefit of this Indenture and of the Securities secured hereby, according to the intent and purposes herein expressed. The Corporation shall take, and shall cause its Subsidiary Guarantors to take, any and all actions reasonably required to cause the Security Agreement to create and maintain, as security for the Obligations of the Corporation and the Subsidiary Guarantors hereunder, a valid and enforceable perfected first-priority Lien and security interest in the Collateral and subject to no other Liens other than the Permitted Liens, in favor of the Collateral Agent for the benefit of the Claimholders (as defined in the Security Agreement) in accordance with the Security Agreement and the Intercreditor Agreement. Except as permitted in this Indenture, the Security Agreement, and the Intercreditor Agreement, neither the Corporation nor any of its Subsidiaries shall take or omit to take any action that would have the result of adversely affecting or impairing the Lien on the Collateral in favor of the Collateral Agent for the benefit of the Claimholders.

SECTION 11.02 Payment of Expenses. On demand of the Collateral Agent, the Corporation forthwith shall pay or satisfactorily provide for payment of reasonable compensation, reimbursement of expenses and indemnification of the Collateral Agent, and all such sums shall be a lien upon the Collateral and shall be secured thereby.

SECTION 11.03 Opinions as to Recording, etc.

(a) the Corporation shall furnish to the Trustee, promptly after the execution of this Indenture and the Security Agreement, an Opinion of Counsel stating that in the opinion of such counsel the Security Agreement has been properly recorded and filed so as to make effective the Lien intended to be created thereby, and reciting the details of such action or stating that in the opinion of such counsel no such action is necessary to make such Lien effective; and

(b) the Corporation shall furnish to the Trustee within one hundred twenty (120) days after January 1 in each year, beginning with January 1, 2009, an Opinion of Counsel, dated such date, either (i) stating that in the opinion of such Counsel, action has

been taken with respect to the recording, registering, filing, re-recording, re-registering or re-filing of all supplemental indentures, financing statements, continuation statements or other instruments of further assurance as is necessary to maintain the perfection of the Lien under the Security Agreement in all Collateral that can perfected by filing or control, and reciting the details thereof, or (ii) stating that no such action is necessary to maintain such Lien.

SECTION 11.04 Release of Collateral; Additional Liens. (a) Subject to subsections (b), (c) and (d) of this Section 11.04, all of the Collateral in the case of clauses (4), (5) and (6) and in the case of clauses (1), (2), (3) the portion of Collateral specified therein, may be released from the Lien and security interest created by the Security Agreement at any time or from time to time as provided hereby. Upon the request of the Corporation pursuant to an Officers' Certificate delivered to the Trustee certifying that all conditions precedent hereunder and in the Security Agreement and Intercreditor Agreement have been met and without the consent of any Holder, the Corporation and the Subsidiary Guarantors will be entitled to a release of the security interests on assets included in the Collateral from the Liens securing the Securities under any one or more of the following circumstances:

(1) to enable the Corporation or any Subsidiary Guarantor to consummate any sale, lease, conveyance or other disposition of any assets or rights permitted or not prohibited under Section 5.05 hereof, provided that no release shall occur in connection with any transfer or disposition of Collateral from the Corporation or any Restricted Subsidiary to the Corporation or any Restricted Subsidiary or if an Event of Default shall have occurred and be continuing;

(2) in respect of assets subject to a Permitted Lien in respect of Purchase Money Obligations;

(3) if all of the stock of any Subsidiary of the Corporation that is pledged as part of the Collateral is released in connection with a sale or disposition permitted hereunder or if any Subsidiary that is a Subsidiary Guarantor is released from its Guarantee in accordance with the terms hereof, such Subsidiary' s assets will also be released;

(4) pursuant to an amendment, waiver or supplement in accordance with Article 10 hereof;

(5) upon payment in full in cash of the principal of, accrued and unpaid interest, if any on the Securities and all other Obligations under this Indenture, the Securities, and the Security Agreement then due and owing; or

(6) upon compliance with the conditions precedent set forth in Article 9 hereof for covenant defeasance.

provided that, (x) in the case of a release requested under clauses (1), (2) or (3), above, the Collateral Agent concurrently releases the Liens in favor of Hillside under the Hillside Credit Agreement with respect to the affected assets and that if there are any other subordinated Liens on such assets, such subordinated Liens are similarly released; (y) the proceeds from the Collateral shall be applied in accordance with the Indenture and the Intercreditor Agreement and (z) the Liens securing the Securities will continue in the proceeds of the released Collateral in the same order of priority to the extent the proceeds are not used to prepay the Securities.

Upon receipt of such Officer' s Certificate, the Trustee shall direct the Collateral Agent to execute, deliver or acknowledge any necessary or proper instruments of termination, satisfaction or release to evidence the release of any Collateral permitted to be released pursuant to this Indenture.

(b) No Collateral may be released from the Lien and security interest created by the Security Agreement pursuant to the provisions of the Security Agreement unless the Officer' s Certificate required by this Section 11.04 has been delivered to the Trustee and the Trustee has given a direction to the Collateral Agent to release such Collateral.

(c) At any time when a Default or Event of Default has occurred and is continuing no release of Collateral pursuant to the provisions of the Security Agreement will be effective as against the Securityholders, except as otherwise expressly permitted in the Intercreditor Agreement and the Security Agreement.

(d) The release of any Collateral from the terms of this Indenture and the Security Agreement shall not be deemed to impair the security under this Indenture in contravention of the provisions hereof if and to the extent the Collateral is released pursuant to the terms of the Security Agreement and this Indenture. The Corporation will cause TIA Section 313(b), relating to reports, and TIA Section 314(d), relating to the release of property or securities from the Lien and security interest of the Security Agreement and relating to the substitution therefor of any property or securities to be subjected to the Lien and security interest of the Security Agreement, to be complied with. Any certificate or opinion required by TIA Section 314(d) may be made by an Officer of the Corporation except in cases where TIA Section 314(d) requires that such certificate or opinion be made by an independent Person, which Person will be an independent engineer, appraiser or other expert selected or approved by the Trustee and the Collateral Agent in the exercise of reasonable care, and in accordance with TIA.

SECTION 11.05 Certificates and Opinions of Counsel. To the extent applicable, the Corporation will furnish to the Trustee and the Collateral Agent, prior to each proposed release of Collateral pursuant to the Security Agreements:

(a) all documents, if any, required by TIA Section 314(d); and

(b) an Opinion of Counsel, which may be rendered by internal counsel to the Corporation, to the effect that such accompanying documents constitute all documents required by TIA Section 314(d).

The Trustee may, to the extent permitted by Sections 8.01 and 8.02 hereof, accept as conclusive evidence of compliance with the foregoing provisions the appropriate statements contained in such documents and such Opinion of Counsel.

SECTION 11.06 Certificates of the Trustee. In the event that the Corporation wishes to release Collateral in accordance with the Indenture at a time when the Trustee is not itself also the Collateral Agent and has delivered the certificates and documents required by the

Security Agreement and Sections 11.04, 11.05, 11.06 and 11.07 hereof, the Trustee will determine whether it has received all documentation required by TIA Section 314(d) in connection with such release and, based on such determination and the Opinion of Counsel delivered pursuant to Section 11.05(b), will deliver a certificate to the Collateral Agent setting forth such determination.

SECTION 11.07 Authorization of Actions to be Taken by the Trustee under the Intercreditor Agreement. The Trustee may, in its sole discretion and without the consent of the Securityholders, take all actions it deems necessary or appropriate to (a) enforce any of the terms of the Intercreditor Agreement and (b) collect and receive any and all amounts payable in respect of the obligations of the Corporation and the Subsidiary Guarantors hereunder. Subject to the provisions of this Indenture, the Security Agreement and the Intercreditor Agreement, the Trustee shall have power to institute and to maintain such suits and proceedings as it may deem expedient to prevent any impairment of the Collateral by any acts which may be unlawful or in violation of the Security Agreement, this Indenture or, the Intercreditor Agreement and such suits and proceedings as the Trustee may deem expedient to preserve or protect its interest and the interests of the Securityholders in the Collateral (including power to institute and maintain suits or proceedings to restrain the enforcement of or compliance with any legislative or other governmental enactment, rule or order that may be unconstitutional or otherwise invalid if the enforcement of, or compliance with such enactment, rule or order would impair the security interest hereunder or be prejudicial to the interests of the Holders or of the Trustee).

SECTION 11.08 Authorization of Receipt of Funds by the Trustee under the Security Agreement and Intercreditor Agreement. The Trustee is authorized to receive any funds for the benefit of Holders distributed under the Security Agreement and the Intercreditor Agreement, and to make further distributions of such funds to the Holders according to the provisions of this Indenture.

SECTION 11.09 Collateral Agent. Except as otherwise explicitly provided herein or in the Security Agreement (but subject in the case of the Trustee to Section 8.01(1)), neither the Trustee nor the Collateral Agent nor any of their respective officers, directors, employees or agents shall be liable for failure to demand, collect or realize upon any of the Collateral or for any delay in doing so or shall be under any obligation to sell or otherwise dispose of any Collateral upon the request of any other Person or to take any other action whatsoever with regard to the Collateral or any part thereof. The Collateral Agent shall be accountable only for amounts that it actually receives as a result of the exercise of such powers, and neither the Collateral Agent nor any of its officers, directors, employees or agents shall be responsible for any act or failure to act hereunder, except for its own willful misconduct, negligence or bad faith.

ARTICLE 12

Guarantee

SECTION 12.01 Guarantees. Each Subsidiary Guarantor hereby unconditionally and irrevocably Guarantees, jointly and severally, to each Holder and to the Trustee and its successors and assigns (a) the full and punctual payment of principal of and interest on the Securities when due, whether at maturity, by acceleration, by redemption or otherwise, and all

other monetary obligations of the Corporation under this Indenture and the Securities and (b) the full and punctual performance within applicable grace periods of all other obligations of the Corporation under this Indenture and the Securities (all the foregoing being hereinafter collectively called the "Guaranteed Obligations"). Each Subsidiary Guarantor further agrees that the Guaranteed Obligations may be extended or renewed, in whole or in part, without notice or further assent from such Subsidiary Guarantor and that such Subsidiary Guarantor will remain bound under this Article 12 notwithstanding any extension or renewal of any Guaranteed Obligation.

Each Subsidiary Guarantor waives notice of any default under the Securities or the Guaranteed Obligations. The obligations of each Subsidiary Guarantor hereunder shall be unconditional, irrespective of the validity, regularity or enforceability of the Securities or this Indenture and shall not be discharged or impaired or otherwise affected by (1) the failure of any Holder or the Trustee to assert any claim or demand or to enforce any right or remedy against the Corporation or any other Person (including any Subsidiary Guarantor) under this Indenture, the Securities or any other agreement or otherwise; (2) any extension or renewal of any thereof; (3) any rescission, waiver, amendment or modification of any of the terms or provisions of this Indenture, the Securities or any other agreement; (4) any failure to perfect or maintain its Lien on any Collateral, the release of any security held by any Holder or the Trustee for the Guaranteed Obligations or any of them; (5) the failure of any Holder or the Trustee to exercise any right or remedy against any other Subsidiary Guarantor of the Guaranteed Obligations; (6) any default, failure or delay, willful or otherwise, in the performance of the Guaranteed Obligations; (7) except as set forth in Section 5.05, any change in the ownership of such Subsidiary Guarantor; (8) the recovery of any judgment against the Corporation or any action to enforce the same; or (9) any other act or thing or omission or delay to do any other act or thing which may or might in any manner or to any extent vary the risk of such Subsidiary Guarantor or would otherwise operate as a discharge of such Subsidiary Guarantor as a matter of law or equity. Each Subsidiary Guarantor further waives diligence, presentment, demand of payment, filing of claims with a court in the event of insolvency or bankruptcy of the Corporation, any right to require a proceeding first against the Corporation, protest, notice (except to the extent as required by law under a provision that cannot be waived) and all demands whatsoever and covenants that the Guarantee will not be discharged except by complete performance of the Guarantees Obligations. Each Subsidiary Guarantor agrees that, in the event of default in the payment of principal (or premium, if any) or interest on such Securities, whether at their stated maturity, by acceleration, upon redemption, purchase or otherwise, legal proceedings may be instituted by the Trustee on behalf of, or by, the Holders of such Securities, subject to the terms and conditions set forth in this Indenture, directly against each of the Subsidiary Guarantors to enforce the Guarantee without first proceeding against the Corporation.

Each Subsidiary Guarantor further agrees that its Subsidiary Guarantee herein constitutes a Guarantee of payment, performance and compliance when due (and not a Guarantee of collection) and waives any right to require that any resort be had by any Holder or the Trustee to any security held for payment of the Guaranteed Obligations.

Except as expressly set forth in Sections 9.01(2), 12.02 and 12.07 hereof, the obligations of each Subsidiary 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, and shall not be subject to any defense of setoff, counterclaim, recoupment or termination whatsoever or by reason of the invalidity, illegality or unenforceability of the Guaranteed Obligations or otherwise.

Each Subsidiary Guarantor further agrees that its Guarantee herein shall continue to be effective or be reinstated, as the case may be, if at any time payment, or any part thereof, of principal of or interest on any Guaranteed Obligation is rescinded or must otherwise be restored by any Holder or the Trustee upon the bankruptcy or reorganization of the Corporation or otherwise.

In furtherance of the foregoing and not in limitation of any other right which any Holder or the Trustee has at law or in equity against any Subsidiary Guarantor by virtue hereof, upon the failure of the Corporation to pay the principal of or interest on any Guaranteed Obligation when and as the same shall become due, whether at maturity, by acceleration, by redemption or otherwise, or to perform or comply with any other Guaranteed Obligation, each Subsidiary Guarantor hereby promises to and shall, upon receipt of written demand by the Trustee, forthwith pay, or cause to be paid, in cash, to the Holders or the Trustee an amount equal to the sum of (1) the unpaid amount of such Guaranteed Obligations, (2) accrued and unpaid interest on such Guaranteed Obligations (but only to the extent not prohibited by law) and (3) all other monetary Guaranteed Obligations of the Corporation to the Holders and the Trustee.

Each Subsidiary Guarantor agrees that, as between it, on the one hand, and the Holders and the Trustee, on the other hand, (1) the maturity of the Guaranteed Obligations hereby may be accelerated as provided in Article 7 for the purposes of such Subsidiary Guarantor' s Subsidiary Guarantee herein, notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the Guaranteed Obligations Guaranteed hereby, and (2) in the event of any declaration of acceleration of such Guaranteed Obligations as provided in Article 7, such Guaranteed Obligations (whether or not due and payable) shall forthwith become due and payable by such Subsidiary Guarantor for the purposes of this Section and the Guarantee.

Each Subsidiary Guarantor also agrees to pay any and all reasonable costs and expenses (including attorneys' fees) incurred by the Trustee or any Holder in enforcing any rights under this Section.

If any Holder or the Trustee is required by any court or otherwise to return to the Corporation, the Subsidiary Guarantors or any custodian, trustee, liquidator or other similar official acting in relation to either the Corporation or the Subsidiary Guarantors, any amount paid either to the Trustee or such Holder, this Subsidiary Guarantee, to the extent theretofore discharged, will be reinstated in full force and effect.

SECTION 12.02 Limitation on Liability. Any term or provision of this Indenture to the contrary notwithstanding, the maximum aggregate amount of the Guaranteed Obligations Guaranteed hereunder by any Subsidiary Guarantor shall not exceed the maximum amount that can be hereby Guaranteed without rendering this Indenture, as it relates to such Subsidiary Guarantor, voidable under applicable law relating to fraudulent conveyance or fraudulent transfer or similar laws affecting the rights of creditors generally. To effectuate the foregoing intention,

the Trustee, the Holders and the Subsidiary Guarantors hereby irrevocably agree that the obligations of such Subsidiary Guarantor will, after giving effect to such maximum amount and all other contingent and fixed liabilities of such Subsidiary Guarantor that are relevant under such laws, and after giving effect to any collections from, rights to receive contribution from or payments made by or on behalf of any other Subsidiary Guarantor in respect of the Guaranteed Obligations, result in the Guaranteed Obligations under its Subsidiary Guarantee not constituting a fraudulent transfer or conveyance.

SECTION 12.03 Successors and Assigns. This Article 12 shall be binding upon each Subsidiary Guarantor and its successors and assigns and shall inure to the benefit of the successors and assigns of the Trustee and the Holders and, in the event of any transfer or assignment of rights by any Holder or the Trustee, the rights and privileges conferred upon that party in this Indenture and in the Securities shall automatically extend to and be vested in such transferee or assignee, all subject to the terms and conditions of this Indenture.

SECTION 12.04 No Waiver. Neither a failure nor a delay on the part of either the Trustee or the Holders in exercising any right, power or privilege under this Article 12 shall operate as a waiver thereof, nor shall a single or partial exercise thereof preclude any other or further exercise of any right, power or privilege. The rights, remedies and benefits of the Trustee and the Holders herein expressly specified are cumulative and not exclusive of any other rights, remedies or benefits which either may have under this Article 12 at law, in equity, by statute or otherwise.

SECTION 12.05 Modification. No modification, amendment or waiver of any provision of this Article 12, nor the consent to any departure by any Subsidiary Guarantor therefrom, shall in any event be effective unless the same shall be in writing and signed by the Trustee, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice to or demand on any Subsidiary Guarantor in any case shall entitle such Subsidiary Guarantor to any other or further notice or demand in the same, similar or other circumstances.

SECTION 12.06 Waiver of Subrogation. Until payment in full is made of the Securities and all other obligations of the Corporation to the Holders or the Trustee hereunder and under the Securities, each Subsidiary Guarantor irrevocably waives any claim or other rights it will acquire against the Corporation that arise from the existence, payment, performance or enforcement of such Subsidiary Guarantor' s obligations under the Guarantee and this Indenture, including, without limitation, any right of subrogation, reimbursement, exoneration, indemnification and any right to participate in any claim or remedy of any Holder of the Securities against the Corporation, whether or not such claim, remedy or right arises in equity, or under contract, statute or common law, including, without limitation, the right to take or receive from the Corporation, directly or indirectly, in cash or other property or by set-off or any other manner, payment or security on account of such claim or other rights. If any amount shall be paid to any Subsidiary Guarantor in violation of the preceding sentence and the Securities shall not have been paid in full, such amount shall have been deemed to have been paid to such Subsidiary Guarantor for the benefit of, and held in trust for the benefit of, the Holders of the Securities and shall forthwith be paid to the Trustee for the benefit of such Holders to be credited and applied upon the Securities, whether matured or unmatured, in accordance with the terms of

this Indenture. Each Subsidiary Guarantor acknowledges that it will receive direct and indirect benefits from the financing arrangements contemplated by this Indenture and that the waiver set forth in this Section 12.06 is knowingly made in contemplation of such benefits.

SECTION 12.07 Release of Subsidiary Guarantor. A Subsidiary Guarantor will be released from its obligations under this Article 12 (other than any obligation that may have arisen under Section 12.08):

(1) upon the sale (including any sale pursuant to any exercise of remedies by a holder of Indebtedness of the Corporation or of such Subsidiary Guarantor) or other disposition (including by way of consolidation or merger) of a Subsidiary Guarantor;

(2) upon the sale or disposition of all or substantially all the assets of such Subsidiary Guarantor other than pursuant to Article 6;

(3) upon the designation of such Subsidiary Guarantor as an Unrestricted Subsidiary in accordance with the terms of this Indenture unless any of the Collateral is then owned by such Subsidiary Guarantor;

(4) upon defeasance of the Securities or discharge of this Indenture pursuant to Article 9;

provided, however, that in the case of clauses (1) and (2) above, (i) such sale or other disposition is made to a Person other than the Corporation or a Subsidiary of the Corporation, (ii) such sale or disposition is otherwise permitted by this Indenture and (iii) the Corporation provides an Officers' Certificate to the Trustee to the effect that the Corporation will comply with its obligations under Section 5.05. At the request of the Corporation, the Trustee shall execute and deliver an appropriate instrument evidencing such release.

SECTION 12.08 Contribution. Each Subsidiary Guarantor that makes a payment under its Subsidiary Guarantee shall be entitled upon payment in full of all Guaranteed Obligations under this Indenture to a contribution from each other Subsidiary Guarantor in an amount equal to such other Subsidiary Guarantor' s pro rata portion of such payment based on the respective net assets of all the Subsidiary Guarantors at the time of such payment determined in accordance with GAAP. The allocation among Subsidiary Guarantors of their obligations as set forth in this Section 12.08 shall not be construed in any way to limit the liability of any Subsidiary Guarantor under this Indenture or under the Subsidiary Guarantee.

SECTION 12.09 Waiver of Stay, Extension or Usury Laws. Each Subsidiary Guarantor, covenants (to the extent that it may lawfully do so) that it will not at any time insist upon, plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay or extension law or any usury law or other law that would prohibit or forgive such Subsidiary Guarantor from performing the Guarantee as contemplated herein, wherever enacted, now or at any time hereafter in force, or which may affect the covenants or the performance of this Indenture; and (to the extent that it may lawfully do so) each Subsidiary Guarantor expressly waives all benefit or advantage of any such law, and covenants that it will not hinder, delay or impede the execution of any power herein granted to the Trustee, but will suffer and permit the execution of every such power as though no such law had been enacted.

ARTICLE 13

Miscellaneous

SECTION 13.01 Trust Indenture Act Controls. If this Indenture is otherwise required to be qualified under the TIA, this Indenture shall be subject to the provisions of the TIA that are required to be a part of this Indenture, and shall, to the extent applicable, be governed by such provisions. If any provision of this Indenture modifies any TIA provision that may be so modified, such TIA provision shall be deemed to apply to this Indenture as so modified. If any provision of this Indenture excludes any TIA provisions that may be so excluded, such TIA provision shall be excluded from this Indenture. Except as otherwise expressly incorporated herein and subject to the first sentence of this paragraph, the provisions of the TIA are hereby expressly excluded from this Indenture.

SECTION 13.02 Notices. Any notice or communication shall be sufficiently given if in writing and delivered in person or mailed by first-class mail addressed as follows:

if to the Corporation or any Subsidiary Guarantee:

Ampex Corporation
1228 Douglas Avenue
Redwood City, CA 94063
Attention: Joel Talcott
Telecopier: (650) 367-3440

if to the Trustee:

U.S. Bank National Association
One Federal Street - 10th Floor
Boston, MA 02110
Telecopier: (617) 603-6667
Re: Ampex 12% Senior Secured Notes due 2009

The Corporation, any Subsidiary Guarantor or the Trustee by notice to the other may designate additional or different addresses for subsequent notices or communications.

Any notice or communication mailed to a Securityholder shall be mailed to the Securityholder at the Securityholder' s address as it appears on the registration books of the Registrar and shall be sufficiently given if so mailed within the time prescribed.

Failure to mail a notice or communication to a Securityholder or any defect in it shall not affect its sufficiency with respect to other Securityholders. If a notice or communication is mailed in the manner provided above, it is duly given, whether or not the addressee receives it.

SECTION 13.03 Communication by Holders with Other Holders. Securityholders may communicate pursuant to TIA Section 312(b) with other Securityholders with respect to their rights under this Indenture or the Securities. The Corporation, any Subsidiary Guarantor, the Trustee, the Registrar and anyone else shall have the protection of TIA Section 312(c).

SECTION 13.04 Certificate and Opinion as to Conditions Precedent. Upon any request or application by the Corporation to the Trustee to take any action or refrain from taking any action under this Indenture, the Corporation shall furnish to the Trustee upon the Trustee' s request:

(1) an Officers' Certificate in form and substance reasonably satisfactory to the Trustee stating that, in the opinion of the signers, all conditions precedent, if any, provided for in this Indenture relating to the proposed action have been complied with; and

(2) an Opinion of Counsel in form and substance reasonably satisfactory to the Trustee stating that, in the opinion of such counsel, all such conditions precedent have been complied with.

SECTION 13.05 Statements Required in Certificate or Opinion. Each certificate or opinion with respect to compliance with a covenant or condition provided for in this Indenture shall include:

(1) a statement that the person making such certificate or opinion has read such covenant or condition;

(2) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(3) a statement that, in the opinion of such person, he has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether or not such covenant or condition has been complied with; and

(4) a statement as to whether or not, in the opinion of such person, such covenant or condition has been complied with.

SECTION 13.06 When Treasury Securities Disregarded. In determining whether the Holders of the required principal amount of Securities have concurred in any direction, waiver or consent, Securities owned by the Corporation or by any person directly or indirectly controlling or controlled by or under direct or indirect common control with the Corporation shall be disregarded and deemed not to be outstanding, except that for the purpose of determining whether the Trustee shall be protected in relying on any such direction, waiver or consent, only Securities which the Trustee knows are so owned shall be so disregarded. Also, subject to the foregoing, only Securities outstanding at the time shall be considered in any such determination.

SECTION 13.07 Rules by Trustee, Paying Agent and Registrar. The Trustee may make reasonable rules for action by or a meeting of Securityholders. The Registrar and the Paying Agent may make reasonable rules for their functions.

SECTION 13.08 Legal Holidays. A "Legal Holiday" is a Saturday, a Sunday or a day on which banking institutions are not required to be open in the State of New York, in the State of Minnesota, or in the Commonwealth of Massachusetts. If a payment date is a Legal Holiday, payment shall be made on the next succeeding day that is not a Legal Holiday, and no interest shall accrue for the intervening period. If a regular record date is a Legal Holiday, the record date shall not be affected.

SECTION 13.09 Governing Law. The laws of the State of New York shall govern this Indenture and the Securities without giving effect to applicable principles of conflicts of law to the extent that the application of the laws of another jurisdiction would be required thereby.

SECTION 13.10 No Recourse Against Others. No director, officer, employee or stockholder, as such, of the Corporation shall have any liability for any obligations of the Corporation or any Subsidiary Guarantor under the Securities or this Indenture or for any claim based on, or in respect of or by reason of such obligations or their creation. By accepting a Security, each Securityholder shall waive and release all such liability.

SECTION 13.11 Successors. All agreements of the Corporation in this Indenture and the Securities shall bind its successor. All agreements of the Trustee in this Indenture shall bind its successor.

SECTION 13.12 Counterparts. This Indenture may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned have executed, or have caused to be executed, this Indenture on the date first written above.

AMPEX CORPORATION, a Delaware corporation

By: /s/ D. Gordon Strickland
Name: D. Gordon Strickland
Title: President & Chief Executive Officer

SUBSIDIARY GUARANTORS:

AMPEX DATA SYSTEMS CORPORATION, a Delaware corporation

By: /s/ Lawrence Chiarella
Name: Lawrence Chiarella
Title: President

AMPEX DATA INTERNATIONAL CORPORATION, a Delaware corporation

By: /s/ Lawrence Chiarella
Name: Lawrence Chiarella
Title: President

AMPEX INTERNATIONAL SALES CORPORATION, a California corporation

By: /s/ Lawrence Chiarella
Name: Lawrence Chiarella
Title: President

AMPEX FINANCE CORPORATION, a Delaware corporation

By: /s/ D. Gordon Strickland
Name: D. Gordon Strickland
Title: President

[SIGNATURE PAGE TO AMENDED AND RESTATED INDENTURE]

U.S. BANK NATIONAL ASSOCIATION as Trustee

By: /s/ Karen R. Beard

Name: Karen R. Beard

Title: Vice President

[SIGNATURE PAGE TO AMENDED AND RESTATED INDENTURE]

EXHIBIT A

CUSIP NO. 032092 AD0

[FORM OF FACE OF SECURITY]

UNLESS AND UNTIL IT IS EXCHANGED IN WHOLE OR IN PART FOR SECURITIES IN DEFINITIVE FORM, THIS SECURITY MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE DEPOSITORY TO A NOMINEE OF THE DEPOSITORY, OR BY THE DEPOSITORY OR ANY SUCH NOMINEE TO A SUCCESSOR DEPOSITORY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITORY. UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT HEREON IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

TRANSFERS OF THIS GLOBAL SECURITY SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF CEDE & CO. OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR' S NOMINEE AND TRANSFERS OF PORTIONS OF THIS GLOBAL SECURITY SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN SECTIONS 2.08 and 2.09 OF THE INDENTURE.

No.
$3,658,080

AMPEX CORPORATION

12% Senior Secured Note Due 2009

Ampex Corporation, a Delaware corporation, promises to pay to CEDE & Co., or registered assigns, the principal sum of Three Million Six Hundred Fifty Eight Thousand and Eighty Dollars on October 3, 2009.

Payment Dates: March 31, June 30, September 30 and December 31 commencing December 31, 2008.

Record Dates: March 1, June 1, September 1 and December 1, commencing December 1, 2008.

Additional provisions of this Security are set forth on the following pages of this Security.

Dated: October 3, 2008

AMPEX CORPORATION, a Delaware Corporation

By: _____
President

_____
Assistant Secretary

TRUSTEE' S CERTIFICATE OF AUTHENTICATION

[SEAL]

Dated:

U.S. BANK NATIONAL ASSOCIATION,
as Trustee, certifies that this is one of the Securities referred to in the Indenture.

by _____
Authorized Signatory

[FORM OF REVERSE SIDE OF SECURITY]

12% Senior Secured Note Due 2009

Capitalized terms used herein without definition shall have the meanings ascribed to them in the Amended and Restated Indenture dated as of October 3, 2008 between Ampex Corporation, a Delaware corporation (the "Corporation"); the Subsidiary Guarantors; and U.S. Bank National Association, as trustee ("Trustee"), as amended from time to time in accordance with its terms (the "Indenture"), to which Indenture reference is hereby made for a statement of respective rights, limitations of rights, duties, obligations and immunities thereunder of the Corporation, the Trustee and the Holders of the Securities, and of the terms upon which the Securities are, and are to be, authenticated and delivered.

(1) Interest

The Corporation promises to pay interest on the principal amount of this Security at the rate per annum shown above for the three-month period ending March 31, June 30, September 30 or December 31 of each year next preceding the applicable payment date. The Corporation will pay interest to Holders of record at the close of business on the March 1, June 1, September 1 and December 1 immediately preceding the payment date on March 31, June 30, September 30 or December 31 of each year, commencing December 31, 2008. Interest on the Securities will accrue from the most recent date to which interest has been paid or, if no interest has been paid, from the Issue Date. Interest will be computed on the basis of a 360-day year of twelve 30-day months. The Corporation shall pay interest on overdue principal (including any redemption price) at the rate borne by the Securities plus 1% per annum, and it shall pay interest on overdue installments of interest (without regard to any applicable grace periods) at the same rate to the extent lawful.

(2) Mandatory Prepayment

In addition to interest payments as set forth in paragraph 1 above, the Securities are subject to mandatory prepayment payable under the circumstances set forth in Sections 3.02, 3.04, 3.05 and 3.06 of the Indenture.

(3) Method of Payment

The Corporation will pay interest on the Securities (except defaulted interest) or, to the persons who are registered holders of Securities at the close of business on the March 1, June 1, September 1 or December 1 next preceding the payment date even if Securities are canceled after the Record Date and on or before the payment date. Holders must surrender Securities to a Paying Agent to collect amounts due upon final maturity of the Securities. The Corporation will pay principal and interest in money of the United States that at the time of payment is legal tender for payment of public and private debts. The Corporation will make all payments in respect of a certificated Security (including principal, premium and interest) by mailing a check to the registered address of each Holder thereof; provided however, at its option, the Corporation may pay principal and interest by wire transfer to an account designated in writing by the Holder.

(4) Paying Agent and Registrar

Initially, Trustee will act as Paying Agent and Registrar. The Corporation may appoint and change any Paying Agent, Registrar or co-registrar without prior notice to any holder, but will promptly notify the Trustee of any change. The Corporation or any of its Subsidiaries may act as Paying Agent, Registrar or co-registrar.

(5) Indenture

The Corporation issued the Securities under the Indenture. The Securities and the Indenture are not qualified under the Trust Indenture Act of 1939 (15 U.S. Code Section 77aaa-77bbbb) as in effect on the date of the Indenture (the "Act") and the terms of the Securities will include only those provisions of the TIA made part of the Indenture by express reference to the TIA. The Securities are subject to all such terms, and Securityholders are referred to the Indenture and the Act for a statement of those terms.

The Securities are general obligations of the Corporation. The Indenture imposes certain limitations on the payment of dividends and other distributions by the Corporation and certain of its Subsidiaries, the sale or transfer of assets, the sale or transfer of shares of stock of certain of its Subsidiaries, the incurrence of debt by the Corporation and certain of its Subsidiaries and transactions with affiliates.

(6) Guaranty

The payment by the Corporation of the principal of, and premium and interest on, the Securities is fully and unconditionally guaranteed on a joint and several basis by each of the Subsidiary Guarantors to the extent set forth in the Indenture.

(7) Seniority

Except as expressly permitted in the Indenture the Securities are senior to all current and future Indebtedness of the Corporation. The Corporation is further prohibited in the manner set forth in the Indenture from issuing additional senior or pari passu Indebtedness or granting senior or pari passu liens.

(8) Optional Redemption

The Corporation may redeem the Securities at any time as a whole, or from time to time in part, at a redemption price equal to 100% of the principal amount to be redeemed plus accrued interest to the redemption date.

(9) Notice of Redemption

Notice of redemption will be mailed at least 30 days but not more than 60 days before the redemption date to each Holder of Securities to be redeemed at the Holder' s registered address. If money sufficient to pay the redemption price and accrued interest on all Securities to be redeemed on the redemption date is deposited with the Paying Agent prior to the redemption date, on and after such date, interest ceases to accrue on such Securities or portions of them. Securities in denominations larger than $1,000 may be redeemed in part but only in whole multiples of $1,000.

(10) Security

The Securities are secured by a first priority (subject to certain exceptions) lien on the Collateral (as defined in Article 1 of the Indenture) pursuant to a Security Agreement described in the Indenture.

(11) Denominations; Transfer; Exchange

The Securities are in registered form without coupons in minimum denominations of $1. A Holder may transfer or exchange Securities in accordance with the Indenture. The Registrar may require a Holder, among other things, to furnish appropriate endorsements and transfer documents and to pay any taxes and fees required by law or permitted by the Indenture. The Registrar need not transfer or exchange any Securities selected for redemption (except, in the case of a Security to be redeemed in part, the portion of the Security not to be redeemed) or any Securities for a period of 15 days before a selection of Securities to be redeemed or before a payment date.

(12) Persons Deemed Owners

The registered holder of this Security may be treated as the owner of it for all purposes.

(13) Unclaimed Money

If money for the payment of principal or interest remains unclaimed for two years, the Trustee or Paying Agent shall pay the money back to the Corporation at its request unless an abandoned property law designates another person. After any such payment, Holders entitled to the money must look only to the Corporation (unless abandoned property law designates another person) and not to the Trustee for payment.

(14) Satisfaction and Discharge of Indenture

On the terms and subject to certain conditions specified in the Indenture, the Corporation will be discharged from the Indenture and the Securities (other than certain specified provisions) or will be discharged from certain covenants under the Indenture and the Securities upon deposit with the Trustee of moneys or U.S. Government Obligations sufficient to pay at maturity or upon redemption all Securities not previously delivered to the Trustee for cancellation, including principal and accrued interest and all other sums then payable by the Corporation under the Indenture.

(15) Amendment, Supplement, Waiver

Subject to certain exceptions, (i) the Indenture or the Securities may be amended or supplemented with the written consent of the Holders of at least a majority in principal amount outstanding of the Securities, and (ii) any past default or noncompliance with any

provision may be waived with the written consent of the Holders of a majority in principal amount outstanding of the Securities. Subject to certain exceptions, without the consent of any Securityholder, the Corporation and the Trustee may amend or supplement the Indenture or the Securities to cure any ambiguity, omission, defect or inconsistency, or to provide for the assumption by a successor Person of the obligations of the Corporation or any Subsidiary Guarantor under this Indenture in accordance with the provisions of Article 6, or to provide for uncertificated Securities in addition to or in place of certificated Securities or to make any change that does not adversely affect the rights of any Securityholder.

(16) Defaults and Remedies

Each of the following is an Event of Default: default for 5 days in payment of any interest on the Securities; default in payment of any principal of the Securities when the same becomes due and payable at stated maturity, upon redemption, upon declaration of acceleration or otherwise; failure to apply Excess Cash Flow, distributions from the Intercreditor Agreement, or the Net Proceeds of any Equity Issuance or Net Available Cash from Asset Sales to prepay the Securities in the manner described in Article 3 and Article 5; failure to otherwise redeem or purchase or prepay any Securities when required; failure to comply with certain covenants addressing change of control, merger or the Hillside Credit Agreement; failure by the Corporation for 10 days to comply with any of its other covenants and agreements in the Indenture relating to SEC reports, limitations on the indebtedness of the Corporation and certain of its Subsidiaries, restricted payments and other distributions by the Corporation and certain of its Subsidiaries, the sale or transfer of assets, the incurrence of debt by the Corporation and certain of its Subsidiaries, transactions with affiliates, designations of Unrestricted Subsidiaries, no senior or pari passu indebtedness or failure by the Corporation to comply with its covenants in the Security Agreement and the Intercreditor Agreement; failure by the Corporation to comply with certain other covenants and agreements in the Indenture and the Securities for 15 days; certain payment defaults with respect to other indebtedness of the Corporation or certain of its Subsidiaries, or other defaults that permits or results in the right of the acceleration of such other indebtedness, where the aggregate of such indebtedness exceeds $100,000; any judgment or decree for the payment of money in excess of $500,000 entered against the Corporation or certain of its Subsidiaries, which remains outstanding after entry of such judgment; certain events of bankruptcy or insolvency; the failure of a Subsidiary Guarantee to be in full force and effect; the security interest under the Security Agreement ceasing to be a valid and perfected first priority lien and a default or breach occurs and is continuing under the Hillside Documents. If an Event of Default occurs and is continuing, the Holders of at least 25% in principal amount of the Securities may declare the principal of and accrued interest on all the Securities to be due and payable immediately other than Events of Default upon certain events of bankruptcy or insolvency which shall cause the principal and accrued interest on all the Securities to become due and payable immediately. Securityholders may not enforce the Indenture or the Securities except as provided in the Indenture. The Trustee may refuse to enforce the Indenture or the Securities unless it receives reasonable indemnity or security. Subject to certain limitations, Holders of a majority in principal amount of the Securities may direct the Trustee in its exercise of any trust or power. The Trustee may withhold from Securityholders notice of any continuing Default or Event of Default (except a Default in payment of principal or interest) if it determines that withholding notice is in their interest.

(17) Trustee Dealings with the Corporation

Subject to certain limitations imposed by the Act, the Trustee under the Indenture, in its individual or any other capacity, may become the owner or pledgee of Securities and may otherwise deal with and collect obligations owed to it by the Corporation or its affiliates and may otherwise deal with the Corporation or its affiliates with the same rights it would have if it were not Trustee.

(18) No Recourse Against Others

A director, officer, employee or stockholder, as such, of the Corporation or any of the Subsidiary Guarantors and the Trustee shall not have any liability for any obligations of the Corporation and the Subsidiary Guarantors under the Securities or the Indenture or for any claim based on, in respect of or by reason of such obligations or their creation. By accepting a Security, each Securityholder waives and releases all such liability. The waiver and release are part of the consideration for the issue of the Securities.

(19) Authentication

This Security shall not be valid until authenticated by the manual signature of the Trustee or an authenticating agent on the other side of this Security.

(20) Abbreviations

Customary abbreviations may be used in the name of a Securityholder or an assignee, such as TEN COM (=tenants in common), TEN ENT (=tenants by the entireties), JT TEN (=joint tenants with right of survivorship and not as tenants in common), CUST (=custodian), and U/G/M/A (=Uniform Gift to Minors Act).

(21) CUSIP Numbers

Pursuant to a recommendation promulgated by the Committee on Uniform Security Identification Procedures the Corporation has caused CUSIP numbers to be printed on the Securities and has directed the Trustee to use CUSIP numbers in notices of redemption as a convenience to Security holders. No representation is made as to the accuracy of such numbers either as printed on the Securities or as contained in any notice of redemption and reliance may be placed only on the other identification numbers placed thereon.

The Corporation will furnish to any Securityholder upon written request and without charge to such Holder a copy of the Indenture which has in it the text of this Security in larger type. Requests may be made to: Ampex Corporation, 1228 Douglas Avenue, Redwood City, CA 94063-3199; Attention: Joel Talcott (Telecopier No. (650) 367-3440).

OPTION OF HOLDER TO ELECT PURCHASE

If you wish to have this Note purchased by the Corporation pursuant to Section 5.10 of the Indenture, check the Box: { }

If you wish to have a portion of this Note purchased by the Corporation pursuant to Section 5.10 of the Indenture, state the amount:

$_____

Dated: _____ Your Signed: _____
(Sign exactly as name appears on the other side of this Security)

Dated: _____ By: _____
NOTICE: To be signed by an executive officer

NOTICE: Signature(s) must be guaranteed by an institution which is a participant in the Securities Transfer Agent Medallion Program ("STAMP") or similar program.

ASSIGNMENT FORM

To assign this Security, fill in the form below:

I or we assign and transfer this Security to

_____

(insert assignee' s soc. sec. or tax I.D. no.)

_____

(Print or type assignee' s name, address and zip code)

and irrevocably appoint _____ agent to transfer this Security on the books of the Corporation. The agent may substitute another to act for him.

Dated: _____

Signature(s):

_____

(Sign exactly as name appears on the other side of this Security)

Signature Guarantee: _____

NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, THE OBLIGATIONS HEREUNDER AND THE LIEN AND SECURITY INTEREST GRANTED PURSUANT TO THIS AGREEMENT ARE SUBJECT TO THE PROVISIONS OF THE COLLATERAL AGENCY AND INTERCREDITOR AGREEMENT, DATED AS OF OCTOBER 3, 2008 (AS AMENDED, RESTATED, SUPPLEMENTED OR OTHERWISE MODIFIED FROM TIME TO TIME, THE "INTERCREDITOR AGREEMENT"), BY AND AMONG AMPEX CORPORATION ("AMPEX"), THE SUBSIDIARIES OF AMPEX PARTY THERETO, AS SUBSIDIARY GUARANTORS, HILLSIDE CAPITAL INCORPORATED ("HILLSIDE") IN ITS CAPACITY AS COLLATERAL AGENT FOR THE FIRST LIEN CLAIMHOLDERS AND SECOND LIEN CLAIMHOLDERS (AS SUCH TERMS ARE DEFINED THEREIN), U.S. BANK NATIONAL ASSOCIATION IN ITS CAPACITY AS INDENTURE TRUSTEE UNDER THE INDENTURE FOR THE 12% SENIOR SECURED NOTES DUE 2009 OF AMPEX, AND HILLSIDE, AS LENDER UNDER THAT CERTAIN CREDIT AGREEMENT, DATED OF OCTOBER 3, 2008 BY AND AMONG AMPEX AND THE SUBSIDIARY GUARANTORS AND CERTAIN OTHER PERSONS PARTY OR THAT MAY BECOME PARTY THERETO FROM TIME TO TIME. IN THE EVENT OF ANY CONFLICT BETWEEN THE TERMS OF THE INTERCREDITOR AGREEMENT AND THIS AGREEMENT, THE TERMS OF THE INTERCREDITOR AGREEMENT SHALL GOVERN AND CONTROL.

AMENDED AND RESTATED HILLSIDE-AMPEX/SHERBORNE AGREEMENT

This Amended and Restated Hillside-Ampex/Sherborne Agreement ("Agreement") is made this day of October 3, 2008, by and among (i) Ampex Corporation ("Ampex") and each other member of the Ampex Group (as hereinafter defined), (ii) Hillside Capital Incorporated and each other member of the Limited Hillside Group (as hereinafter defined) and (iii) Sherborne Holdings Incorporated ("Sherborne") and each other member of the Sherborne Group (as hereinafter defined).

RECITALS

WHEREAS, Ampex, f/k/a Ampex Incorporated, is the contributing sponsor, within the meaning of 29 U.S.C. Section 1301(a)(13), of the Employees' Retirement Plan of Ampex Corporation ("Systems Plan"); and

WHEREAS, Ampex Media Holdings Incorporated ("Ampex Media") is the contributing sponsor, within the meaning of 29 U.S.C. Section 1301(a)(13), of the Ampex Media Corporation Retirement Plan ("Media Plan") (the Systems Plan and the Media Plan, together, the "Plans"); and

WHEREAS, the Pension Benefit Guaranty Corporation ("PBGC") asserts that each of the following persons or entities (and each of their subsidiaries) is a member of a Controlled Group (as hereinafter defined) of which Ampex and/or Ampex Media is a member: Ampex Corporation; Xepma I Inc.; Xepma II Inc.; Xepma III Inc.; Xepma IV Inc.; NH Holding Incorporated; Sherborne Group Incorporated; Sherborne Holdings Incorporated; Buffalo Color Corporation; NH Bond Corp.; Newhill Partners, L.P.; Hillside Capital Incorporated; Hillside Industries Incorporated; Hillside Financial Incorporated; Hillside Delaware Incorporated; T. Hillside C. Incorporated; Hillside Newspapers Incorporated; PLK Liquidating Corporation; Plaskon Products International Sales Corporation; Teepak International, Inc.; Teepak, Inc.; Teepak Plastics, Inc.; Teepak Acquisition Corp.; Teepak New Europe; Teepak International II, Inc.; Teepak International, Inc.; Teepak Investments, Inc.; Teepak Nederlands, B.V.; Teepak Produktie, N.V.; Teepak Industries, Inc.; and Bosley, B.V. (collectively, "Asserted Ampex Group"); and

WHEREAS, Hillside Capital Incorporated, Hillside Industries Incorporated; Hillside Financial Incorporated; Hillside Delaware Incorporated; T. Hillside C. Incorporated; Hillside Newspapers Incorporated; PLK Liquidating Corporation; Plaskon Products International Sales Corporation; Teepak International, Inc.; Teepak, Inc.; Teepak Plastics, Inc.; Teepak Acquisition Corp.; Teepak New Europe; Teepak International II, Inc.; Teepak International, Inc.; Teepak Investments, Inc.; Teepak Nederlands, B.V.; Teepak Produktie, N.V.; Teepak Industries, Inc.; and Bosley, B.V assert that they are not, collectively or separately, members of a Controlled Group of which Ampex or Ampex Media is a member; and

WHEREAS, the PBGC asserts that if either or both of the Plans were to terminate under 29 U.S.C. Section 1341 or Section 1342, each entity in the Asserted Ampex Group would be jointly and severally liable as follows: (1) to PBGC for the liability described in 29 U.S.C. Section 1362(b); (2) to the trustee of such terminated Plan(s) for the liability described in 29 U.S.C. Section 1362(c); and (3) to PBGC for the liability described in 29 U.S.C. Sections 1306-07 (collectively, "Pension Obligations"); and

WHEREAS, as of March 1, 1994, the PBGC asserted that in the weeks and months after such date, events or transactions might have occurred, including but not limited to a proposed restructuring of the debt obligations of Ampex (then known as Ampex Incorporated) and the proposed reorganization of NH Holding Incorporated ("NHI") in its pending Chapter 11 case in the U.S. Bankruptcy Court for the District of Delaware, which could have resulted in one or more of the members of the Asserted Ampex Group ceasing to be a member of a Controlled Group of which Ampex and/or Ampex Media is a member and, therefore, ceasing to have joint and several liability for the Pension Obligations, if any; and

WHEREAS, in view of the possibility that such an event or transaction might have occurred shortly after March 1, 1994, the PBGC considered initiating action to terminate either or both of the Plans under 29 U.S.C. Section 1342(a)(4); and

WHEREAS, the PBGC and the entities in the Asserted Ampex Group entered into an agreement dated March 14, 1994 (the "Interim Agreement"), which provided, inter alia, that if an entity in the Asserted Ampex Group which was a party thereto was a member of a Controlled Group with Ampex and Ampex Media on the date of the Interim Agreement, such member would continue to be treated as a member of such Controlled Group through May 2, 1994 (the "Term of the Interim Agreement") in order to allow the parties to discuss the possibility of entering into an agreement that would alleviate certain concerns of the PBGC regarding a possible breakup of the Asserted Ampex Group; and

WHEREAS, effective April 21, 1994, May 21, 1994, August 21, 1994, September 21, 1994, October 17, 1994 and November 17, 1994, the parties to the Interim Agreement (including NHI with respect to the April 21, 1994 agreement and otherwise excluding NHI) entered into successive agreements amending and extending the Term of the Interim Agreement, the last such extension being to and including November 22, 1994; and

WHEREAS, effective May 21, 1994, June 27, 1994, August 15, 1994, September 20, 1994, October 19, 1994 and November 17, 1994, NHI and the PBGC entered into agreements parallel to those entered into by the other parties in the Interim Agreement and the successive extensions thereof; and

WHEREAS, the PBGC, and each of the members of the Ampex Group, the Limited Hillside Group and the Sherborne Group have entered into a joint settlement agreement (the "Joint Settlement Agreement"), effective November 22, 1994, which provides, among other things, for the Limited Hillside Group to be contractually obligated to pay certain amounts in connection with the Plans, if such amounts are not paid by any member of the Ampex Group, in consideration of the PBGC' s agreement not to seek involuntary termination of the Plans prior to the date on which the Asserted Ampex Group might be severed; and

WHEREAS, the Hillside Group desires to be reimbursed by the Sherborne Group and the Ampex Group for liabilities it may incur pursuant to the Joint Settlement Agreement referred to above; and

WHEREAS, Ampex, each other member of the Ampex Group, Hillside Capital Incorporated, each other member of the Limited Hillside Group, Sherborne and each other member of the Sherborne Group have entered into a Hillside-Ampex/Sherborne Agreement, dated December 1, 1994, as amended by a First Amendment to Hillside-Ampex/Sherborne Agreement, dated as of November 30, 1995, a Second Amendment to Hillside-Ampex/Sherborne Agreement, dated as of September 13, 2002, a Third Amendment to Hillside-Ampex/Sherborne Agreement, dated as of March 2, 2004, and a Fourth Amendment to Hillside-Ampex/Sherborne Agreement, dated as of June 30, 2004 (as so amended, the "Original Agreement"); and

WHEREAS, Ampex and its U.S. subsidiaries (collectively the "Debtors") commenced voluntary cases under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code") in the United States District Court for the Southern District of New York (the "Bankruptcy Court") and the Debtors have continued to operate their business and manage their property as debtors-in-possession pursuant to Sections 1107 and 1108 of the Bankruptcy Code; and

WHEREAS, by order dated July 31, 2008, the Bankruptcy Court confirmed the "First Modified Third Amended Joint Chapter 11 Plan of Reorganization for Ampex Corporation and its Affiliated Debtors" dated July 31, 2008 (the "Plan of Reorganization") in accordance with Section 1129 of the Bankruptcy Code; and

WHEREAS, pursuant to the Plan of Reorganization, Ampex, as borrower, and the other Debtors, as guarantors, are entering into a Credit Agreement, dated as of the date hereof, with Hillside Capital Incorporated, as lender; and

WHEREAS, the parties hereto desire to amend and restate the Original Agreement in its entirety, effective as of the date hereof, to read in full as follows:

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants and agreements set forth herein, the receipt, adequacy and sufficiency of which are hereby acknowledged, and intending to be legally bound, each entity in the Ampex Group, the Sherborne Group and the Limited Hillside Group hereby agree as follows:

ARTICLE I.

DEFINITIONS

Section 1.1. Definitions. The following terms shall have the meaning set forth below:

1.01 "Active Trade or Business" shall mean any entity that is actively engaged in a trade or business and in either of the immediately preceding two consecutive fiscal years has had Adjusted Net Income in excess of $5 million or gross revenues in excess of $30 million.

1.02 "Adjusted Net Income" shall mean net income determined before any expense for taxes, interest payments or pension contributions and determined without regard to extraordinary items, noncash restructuring charges, nonrecurring accounting charges due to accounting changes and foreign exchange transactions, each determined in accordance with GAAP.

1.03 "Agreement" shall mean this Amended and Restated Hillside-Ampex/Sherborne Agreement, dated as of October 3, 2008.

1.04 "Ampex" shall mean Ampex Corporation (formerly known as Ampex Incorporated) and any successor thereto.

1.05 "Ampex Group" shall mean Ampex and any domestic subsidiary (whether or not incorporated) under Common Control with Ampex.

1.06 "Annual Contribution" shall mean the amount that must be contributed to a Plan on or prior to the Annual Due Date:

(i) In the case of any Plan Year beginning before January 1, 2008, in order to satisfy the minimum funding standard for the Plan for the Plan Year such that the Plan will be determined not to have an accumulated funding deficiency for such Plan Year within the meaning of section 302(a) of ERISA and section 412(a) of the Code; and

(ii) In the case of any Plan Year beginning after December 31, 2007, in order to satisfy the requirement under section 302(a) of ERISA and section 412(a) of the Code that the employer make contributions to or under the Plan for the Plan Year which, in the aggregate, are not less than the minimum required contribution determined under section 303 of ERISA and section 430 of the Code for the Plan for the Plan Year.

1.07 “Annual Due Date” shall mean the date which is eight and one-half (8 1/2) months after the last day of the applicable Plan Year, or in the event of a change in Applicable Law, the last day of a period after the end of a Plan Year in which contributions to the Plan(s) may be made for that Plan Year under ERISA and the Code.

1.08 “Applicable Law” shall mean all applicable laws, including, without limitation, ERISA, those relating to health, safety, wage and hour, employee benefit plans, the environment, taxes, securities and labor, ordinances, judgments, decrees, injunctions, writs, decisions, and orders of any Government Authority and rules, regulations, orders, interpretations, licenses and permits of any Government Authority.

1.09 “Bankruptcy Code” shall mean 11 U.S.C. Section 101 et. seq.

1.10 “Buffalo Color” shall mean the Buffalo Color Corporation (and its domestic subsidiaries) and any successor thereto.

1.11 “Business Day” shall mean any day excluding Saturday, Sunday and any day which shall be in the City of New York or in the District of Columbia a legal holiday or a day on which banks are authorized or required by law or other governmental action to be closed.

1.12 “Calendar Year” shall mean the 12 calendar month period commencing each January 1.

1.13 “Code” shall mean the Internal Revenue Code of 1986, as amended.

1.14 “Collateral Account” shall mean the account established and maintained pursuant to section 4.3 of the Joint Settlement Agreement.

1.15 “Commences Liquidation” shall mean, with respect to any entity, any action or process by which the entity (i) commences a voluntary liquidation or dissolution, except as part of a merger or consolidation with, or liquidation into another member of its Controlled Group, (ii) applies for or consents to the appointment of, or the taking of possession by, a receiver, custodian, trustee or liquidator of all of its property, (iii) makes a general assignment for the benefit of creditors, (iv) commences a voluntary proceeding under the Bankruptcy Code seeking liquidation, (v) files a petition seeking to take advantage of any other law relating to insolvency, winding-up, liquidation or taking any official corporate action for the purpose of effecting any of the foregoing or (vi) fails to controvert in a timely or appropriate manner, or acquiesces in writing to, any involuntary petition filed against it seeking liquidation under the Bankruptcy Code or under Applicable Law.

1.16 “Common Control” shall have the same meaning as defined in section 4001(a)(14)(A) of ERISA and under rules found in 29 C.F.R. §4001.3.

1.17 “Company Distribution” shall mean the payment by an entity in the Sherborne Group, of a dividend, partnership distribution or management fee, or a payment in respect of the redemption of the entity’ s stock or partnership interests (including partial redemptions), but shall not include:

(i) Preferred Stock Distributions;

(ii) any such payment by an entity to another member of the same Group;

(iii) any stock dividend consisting of equity securities of the company paying the dividend or any redemption of equity securities out of the proceeds of the substantially contemporaneous sale of equity securities or solely for other equity securities of the redeeming company;

(iv) any management fees paid to Non-Affiliates; or

(v) any payment of compensation or remuneration to an individual. All Company Distributions, other than cash, shall be valued at Fair Market Value on the date of distribution.

1.18 "Controlled Group" shall mean a group of trades or businesses, whether or not incorporated, which are under Common Control with each other.

1.19 "Credit Agreement" shall mean the Credit Agreement, dated as of October 3, 2008, by and among Ampex, the Subsidiary Guarantors (as defined therein) and Hillside.

1.20 "Demand Requirements" shall mean the order of and procedures related to the making of a demand on the members of the Sherborne Group for payment of any Note or other obligation, as set forth in Section 3.1(c).

1.21 "ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended.

1.22 "Fair Market Value" on a specified date shall mean:

(i) with respect to a publicly held security, the closing price at which the security is traded on the stock exchange, if any, on which the security is primarily traded or, if the security is not then traded on a stock exchange, the closing price of the security as reported on the NASDAQ National Market System or, if the security is not then traded on the NASDAQ National Market System, the average of the closing bid and asked prices at which the security is traded on the over-the-counter market, but if no such securities were traded on such date, then on the last previous date on which the security was so traded, or, if none of the above are applicable, the value of the security as established for such date using any reasonable method of valuation;

(ii) with respect to an interest in a partnership or investment trust which is not publicly traded and is not managed or controlled by any party to this Agreement, the most recent value established by the general partner or trustee thereof; and

(iii) with respect to all other property, the value determined by the Board of Directors of the owner of the property, acting in good faith, provided that if Hillside or SGI reasonably objects, in writing, to such valuation within thirty (30) days of its receipt of notice of the valuation, the value of such property shall be established at the owner of the property' s expense by an independent valuator selected by the owner of the property and approved by the objecting party, who is familiar with the type of property to be valued and who shall render a written valuation report to the owner of the property and to the objecting party within sixty (60) days of his engagement and whose findings shall be binding on the parties hereto.

1.23 "Funding Waiver" shall mean a waiver of all or a portion of the minimum funding requirements for a Plan for a Plan Year issued by the Secretary of the Treasury pursuant to section 303 of ERISA and section 412(d) of the Code (in the case of any Plan Year beginning before January 1, 2008) or section 302(c) of ERISA and section 412(c) of the Code (in the case of any Plan Year beginning after December 31, 2007).

1.24 "GAAP" shall mean, at the time of any determination, generally accepted accounting principles in the United States of America as then in effect.

1.25 "Government Authority" shall mean any Federal, state, county, municipal, regional or other government authority, agency, board, body, instrumentality or court.

1.26 "Group" shall mean the Ampex Group, the Hillside Group, the Sherborne Group or the Operating Sherborne Group, as the case may be.

1.27 "Guarantee" shall mean the covenants of the Guarantors described in Section 3.1.

1.28 "Guarantor" shall mean each member of the Ampex Group and the Sherborne Group, other than the Issuer.

1.29 "Hillside" shall mean Hillside Capital Incorporated and any successor thereto.

1.30 "Hillside Group" shall mean, at any time, all entities under Common Control with Hillside.

1.31 "Holder" shall mean the person in whose name a Note or a share of Series A Preferred Stock has been issued or, if a Note or a share of Series A Preferred Stock has been assigned, the assignee of such person.

1.32 "Issuer" shall mean Ampex, unless Ampex has ceased to be a Substantial Entity, in which case "Issuer" shall mean a member of the Ampex Group which is a Substantial Entity, and if more than one such entity exists, the entity with the largest gross revenues for the immediately preceding fiscal year, but if all of the members of the Ampex Group have ceased to be Substantial Entities, then "Issuer" shall mean SGI, unless SGI has ceased to be a Substantial Entity, in which case "Issuer" shall mean a member of the Primary Sherborne Group which is a Substantial Entity, and if more than one such entity exists, the entity with the largest gross revenues for the immediately preceding fiscal year, but if all of the members of the Primary Sherborne Group have ceased to be Substantial Entities, then "Issuer" shall mean a member of the Secondary Sherborne Group which is a Substantial Entity and if more than one such entity exists, the entity with the largest gross revenues for the immediately preceding fiscal year, but if all of the members of the Ampex Group and the Sherborne Group have ceased to be Substantial Entities, then "Issuer" shall mean the member of the Ampex Group or the Sherborne Group with the largest gross revenues for the immediately preceding year.

1.33 “Limited Hillside Group” shall mean Hillside, Hillside Industries Incorporated, Teepak International, Inc., any current or future domestic subsidiary of Teepak International, Inc. and any “Acquired Entity” as such term is defined in section 1.1(a) of the Joint Settlement Agreement.

1.34 “Loan Document” shall mean (i) any document evidencing, governing or securing an existing debt of SGI or Buffalo Color listed on Exhibit B to the Original Agreement, a true and complete copy of which has been furnished to Hillside prior to the date hereof, or any document evidencing, governing or securing an existing debt of Media listed on Exhibit B to the Original Agreement, a true and complete copy of which has been made available to Hillside prior to the date hereof, and (ii) any document which will be entered into after November 22, 1994 which shall evidence debt of Media, SGI or Buffalo Color.

1.35 “Loan Document Limitations” shall mean the terms of, and the covenants contained in, the Loan Documents which would restrict the incurrence of, the seniority of, the assets available for repayment of, or the extent to which an entity could be liable for or prepay, an Obligation; provided, however, that if a member of the Sherborne Group executes (A) any Loan Document relating to any extension or refinancing of any indebtedness existing at November 22, 1994 of any member of the Sherborne Group, (B) any Loan Document relating to any indebtedness incurred after November 22, 1994 by any member of the Sherborne Group, or (C) any amendment or modification of a Loan Document which exists at November 22, 1994, and such document (described in clauses (A), (B) or (C), above) contains any provision which purports (i) to confer on such indebtedness (or any portion thereof) a right of repayment senior to, require any delay in the payment of, or restrict the amount of, the Obligations or (ii) to secure such indebtedness (or any portion thereof) by a lien on any assets of any member of the Sherborne Group which does not also equally and ratably secure the Obligations, then any such term of or covenant contained in such Loan Document shall not be considered a Loan Document Limitation under this Agreement, shall not be enforceable against any holder of any Obligations as such, shall not restrict the assets available for payment of any Obligation and shall not have any effect on the ability of any member of the Sherborne Group to incur or to be liable for any payment or prepayment of any Obligation. Notwithstanding the foregoing, the items described in the following clauses (x), (y) and (z) constitute exceptions to the proviso contained in the first sentence of this subsection 1.35: (x) up to $10 million of indebtedness in the aggregate of one or more members of the Sherborne Group may be secured by liens which do not secure the Obligations, (y) Buffalo Color may incur up to $10 million (less the amount outstanding pursuant to clause (x) above) of indebtedness which, in the event of default, is senior in right of repayment to the Obligations and (z) SGI may incur additional indebtedness up to $8 million secured by liens which do not secure the Obligations so long as such indebtedness is payable to and held by another member of the Sherborne Group.

1.36 “Master Trust” shall mean the Sherborne Group Master Trust and any successor trust or trusts in which Plan assets may be invested.

1.37 “Media” shall mean Ampex Media Holdings Incorporated and/or its subsidiaries and any successors thereto.

1.38 “Media Plan” shall mean the Ampex Media Corporation Retirement Plan.

1.39 “Newhill Partners” shall mean Newhill Partners, L.P. and any successor thereto.

1.40 “NHI” shall mean NH Holding Incorporated.

1.41 “Non-Affiliates” shall mean individuals who, and entities which, are not controlled by or under common control with, and are not part of any group acting in concert which controls, directly or indirectly, the applicable Group, person or entity.

1.42 “Note” shall mean the indebtedness evidenced by promissory notes representing the Tranche A Loan and any Tranche D Loans.

1.43 “Obligations” shall mean the obligations (including future contingent obligations) under this Agreement to the members of the Hillside Group of any one or more members of the Ampex Group and any one or more members of the Sherborne Group.

1.44 “Officer’ s Certificate” shall mean a certificate signed by the chief executive officer or chief financial officer of an entity.

1.45 “Operating Sherborne Group” shall mean SGI, Buffalo Color and each other member of the Sherborne Group that is a domestic company primarily engaged in the production or sale of a product or service other than the investment of capital.

1.46 “PBGC” shall mean the Pension Benefit Guaranty Corporation, a United States Government corporation, located at 1200 K Street, N.W., Washington, D.C. 20005, established under section 4002 of ERISA and responsible for the administration of Title IV of ERISA, or any agency that may succeed to the functions exercised by the PBGC.

1.47 “Plan” shall mean the Media Plan or the Systems Plan.

1.48 “Plan Sponsor” with respect to either of the Plans shall mean the contributing sponsor thereof (as defined under section 4001(a)(13)(A) of ERISA) or its successor by merger or consolidation.

1.49 “Plan Year” shall mean the plan year (as such term is used in sections 412 or 430 of the Code) of the Media Plan or the Systems Plan.

1.50 “Preferred Stock Distribution” shall mean any mandatory payment of dividends on preferred stock or any mandatory payment associated with the redemption of preferred stock or warrants or the repurchase of common stock issued upon the conversion of preferred stock or the exercise of warrants, to the extent such preferred stock and warrants were issued for fair value to, and such preferred stock, warrants and common stock are beneficially owned by, Non-Affiliates of the issuing company.

1.51 “Primary Sherborne Group” shall mean SGI, Buffalo Color and their domestic subsidiaries under Common Control other than any member of the Ampex Group, AFC, NHI, Xepma I Inc. and Xepma IV Inc.

1.52 “Quarterly Contribution” shall mean a required quarterly installment payment of the Annual Contribution to a Plan, as determined under section 302(e) of ERISA and section 412(m) of the Code (in the case of any Plan Year beginning before January 1, 2008) or section 303(j)(3) of ERISA and section 430(j)(3) of the Code (in the case of any Plan Year beginning after December 31, 2007).

1.53 “Quarterly Due Date” shall mean the date on which a Quarterly Contribution is due pursuant to section 302(e)(3) of ERISA and section 412(m)(3) of the Code (in the case of any Plan Year beginning before January 1, 2008), or section 303(j)(3) (C) of ERISA and section 430(j)(3)(C) of the Code (in the case of any Plan Year beginning after December 31, 2007).

1.54 “Reporting Entity” shall mean each incorporated and unincorporated member of the Ampex Group and the Sherborne Group.

1.55 “Required Contribution” shall mean at any point in time an amount which must be paid to satisfy the requirement to make an Annual Contribution and/or a Quarterly Contribution, whichever is applicable.

1.56 “Secondary Sherborne Group” shall mean Sherborne, Newhill Partners and their domestic subsidiaries under Common Control at November 22, 1994, other than the members of the Primary Sherborne Group and the Ampex Group, and AFC, NHI, Xepma I Inc. and Xepma IV Inc.

1.57 “Series A Preferred Stock” shall mean the Series A Redeemable Preferred Stock of Ampex.

1.58 “SGI” shall mean Lanesborough Corporation (f/k/a Sherborne Group Incorporated) or any successor thereto.

1.59 “Sherborne” shall mean Sherborne Holdings Incorporated and any successor thereto.

1.60 “Sherborne Group” shall mean all of the entities which are members of either the Primary Sherborne Group or the Secondary Sherborne Group.

1.61 “Standard Termination” shall mean the termination of a Plan in accordance with section 4041(b) of ERISA.

1.62 “Substantial Entity” shall mean an entity which is an Active Trade or Business and which has not Commenced Liquidation.

1.63 “Systems Plan” shall mean the Employees’ Retirement Plan of Ampex Corporation.

1.64 “Termination Contribution” shall mean a contribution to a Plan in an amount which enables the Plan to be terminated in a Standard Termination.

1.65 “Termination Liability” shall mean the amount payable by a member of the Limited Hillside Group under Article V of the Joint Settlement Agreement with respect to the termination of one or both Plans.

1.66 “Tranche A Loan” shall mean the Tranche A Loan as defined in the Credit Agreement.

1.67 “Tranche D Availability” shall mean, at any time, the positive difference, if any, between $25,000,000 and the aggregate principal amount of all loans outstanding pursuant to the Credit Agreement at that time.

1.68 “Tranche D Loan” shall mean a Tranche D Loan as defined in the Credit Agreement.

Section 1.2. Accounting Terms. All accounting terms not specifically defined herein shall be construed in accordance with GAAP.

Section 1.3. Terms Generally. The definitions in this Agreement shall apply equally to both the singular and plural forms of the terms defined.

Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. All the agreements or instruments defined in this Agreement shall mean such agreements or instruments as the same may from time to time be supplemented or amended or the terms thereof waived or modified to the extent permitted by, and in accordance with, the terms hereof and thereof. All references herein to Articles, Sections and Exhibits shall be deemed references to Articles and Sections of, and Exhibits to, this Agreement unless the context shall otherwise require. The words “herein”, “hereof”, “hereunder” and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or other subdivision unless clearly stated otherwise.

Section 1.4. References to Statutes. All references to Federal statutes and regulations refer to the provisions of the statute or regulation as of the date hereof, and to any modification and successor provision thereof after the effective date of any amendment, renumbering or other modification thereto occurring after the date hereof.

ARTICLE II.

LIABILITY FOR PLANS; REPAYMENT TO HILLSIDE

Section 2.1. Primary Liability for the Plans. Ampex and each member of the Ampex Group acknowledges and agrees that pursuant to the provisions of ERISA, the Code, the Joint Settlement Agreement and this Agreement they are and shall be jointly and severally primarily liable for Required Contributions to, and Termination Liability for, the Plans. Ampex and each member of the Ampex Group shall make such Required Contributions to the Plans as and when due from sources other than the members of the Hillside Group and the Sherborne Group, including, but not limited to, their available cash and cash equivalents, and shall make all commercially reasonable efforts to obtain the funds necessary to satisfy such obligations from sources other than the members of the Hillside Group and the Sherborne Group.

Section 2.2. Termination Liability and Termination Notes.

(a) If the PBGC involuntarily terminates one or both Plans after the date hereof, other than for a willful breach by any member of the Limited Hillside Group of the Joint Settlement Agreement, and as a result thereof any member of the Limited Hillside Group incurs Termination Liability with respect to either Plan and makes a required payment on account thereof, each member of the Ampex Group and the Sherborne Group shall be jointly and severally liable to Hillside or such other member of the Limited Hillside Group which made the payment for the immediate repayment of the amount of any Termination Liability.

(b) If the PBGC involuntarily terminates one or both Plans after the date hereof on account of a willful breach by a member of the Limited Hillside Group of the Joint Settlement Agreement, and as a result thereof any member of the Limited Hillside Group incurs Termination Liability with respect to either Plan and makes a required payment on account thereof, each member of the Ampex Group and the Sherborne Group shall be jointly and severally liable to Hillside or such other member of the Limited Hillside Group which made the payment for repayment of the amount of such Termination Liability, subject to the provisions of subsection (d).

(c) At Hillside' s request, prior to the termination of the Joint Settlement Agreement Ampex or such other member of the Ampex Group which may be the Plan Sponsor shall terminate the Systems Plan and/or the Media Plan under a Standard Termination. If Hillside requests that a Plan be terminated and no member of the Ampex Group or the Sherborne Group makes the Termination Contribution, Hillside or another member of the Limited Hillside Group shall make the contribution and each member of the Ampex Group and the Sherborne Group shall be jointly and severally liable to Hillside or such other member of the Limited Hillside Group which made the contribution for the amount of the Termination Contribution, subject to the provisions of subsection (d);

(d) With respect to any termination of one or both Plans under circumstances covered by subsections (b) or (c), the repayment obligation shall be evidenced by a (i) Tranche D Note, (ii) shares of Series A Preferred Stock or (iii) a combination thereof which shall be issued by Ampex to Hillside or such other member of the Limited Hillside Group which made payment of the Termination Liability or the Termination Contribution, in the full amount of the Termination Liability payment or the Termination Contribution, as the case may be, in accordance with the provisions of Section 2.3.

(e) One or more members of the Ampex Group and/or the Sherborne Group, as and to the extent set forth below in clauses (i)-(vi), shall be jointly and severally liable to Hillside, subject to the Demand Requirements, for an amount equal to the full amount of the potential Termination Liability for the Plans (as determined under the Joint Settlement Agreement as if the Plans had then terminated), whether or not any obligation to Hillside or any member of the Limited Hillside Group otherwise exists at the time, in the event any of the following events or circumstances shall have occurred without the written consent of Hillside, which consent shall not be unreasonably withheld, and shall have continued unremedied for more than thirty (30) days:

(i) as to each member of the Sherborne Group, if Buffalo Color sells substantially all of its assets to a Non-Affiliate and does not retain unencumbered, or reinvest in a new Active Trade or Business within one year after the date of such sale, at least eighty percent (80%) of the net cash proceeds from the sale;

(ii) as to each member of the Ampex Group and the Sherborne Group, if any member of the Ampex Group Commences Liquidation;

(iii) as to each member of the Sherborne Group, if any member of the Secondary Sherborne Group Commences Liquidation;

(iv) as to each member of the Primary Sherborne Group, if SGI or Buffalo Color Commences Liquidation;

(v) as to each member of the Sherborne Group, if any member of the Sherborne Group makes a Company Distribution in excess of the amounts permitted under Section 4.3; or

(vi) as to each member of the Ampex Group and the Sherborne Group, if Ampex (or another Plan Sponsor which is a member of the Ampex Group) initiates a distress termination of either Plan (in which case the obligation shall be an amount equal to the Termination Liability related to the terminated Plan as determined under the Joint Settlement Agreement).

Notwithstanding the foregoing, any member of the Ampex Group or the Sherborne Group may at any time avoid such liability to Hillside for the amount of the Termination Liability with respect to a Plan by making a Termination Contribution to such Plan.

(f) For purposes of this Section 2.2, (i) all liabilities of any member of the Sherborne Group under subsections (a), (b), (c) or (e) shall be subordinated to any claim of the PBGC against members of the Sherborne Group for Termination Liability to the extent provided in the Joint Settlement Agreement, (ii) all liabilities of members of the Ampex Group and/or the Sherborne Group under subsections (a), (b), (c) and (e) are subject to the limitations set forth in Section 3.1(d) to the extent applicable to such Group member and (iii) all liabilities of members of the Ampex Group and/or the Sherborne Group under subsection (a), (b), (c) and (e) are subject to the Demand Requirements.

Section 2.3. Issuance of Notes and Series A Preferred Stock. If any member of the Hillside Group makes a Required Contribution to a Plan, incurs Termination Liability with respect to a Plan and makes a required payment on account thereof or makes the Termination Contribution to a Plan, each member of the Ampex Group and each member of the Sherborne Group shall be jointly and severally liable to Hillside or the member of the Hillside Group which made such contribution or payment, subject to the provisions of this Agreement. To evidence such liability, Ampex will promptly issue to Hillside or its designee (i) a promissory note

evidencing the portion of such liability consisting of a Tranche D Loan (which portion shall be equal to the lesser of (x) the aggregate amount of such liability and (y) the Tranche D Availability) and (ii) in the event and to the extent that the amount of such liability exceeds the principal amount of such Tranche D Loan, a number of shares of Series A Preferred Stock equal to the quotient obtained by dividing the amount of such excess by $10,000.00.

Section 2.4. Deemed Payments. Any amount of a Tranche D Loan loaned by a member of the Hillside Group to a member of the Ampex Group and any amount transferred from the Collateral Account to a Plan shall be deemed to be an amount paid by a member of the Hillside Group to a Plan for all purposes under this Agreement.

ARTICLE III.

GUARANTEED OBLIGATIONS

Section 3.1. Guarantee.

(a) It is understood and agreed that the members of the Ampex Group are guaranteeing, on a joint and several basis, to each Holder of a Note delivered by Ampex (i) the due and punctual payment of the principal of and interest on such Note, when and as the same shall become due and payable, whether at maturity, by acceleration or otherwise, the due and punctual payment of interest on the overdue principal and interest, if any, of or on the Notes, to the extent lawful, and the due and punctual performance of all other obligations of Ampex to the Holders, all in accordance with the terms of such Notes and of this Agreement, and (ii) in the case of any extension of time of payment or renewal of any Notes, that the same will be promptly paid in full when due in accordance with the terms of the extension or renewal, at maturity, by acceleration or otherwise pursuant to Article III of the Credit Agreement. Subject to the provisions of this Article III, each member of the Sherborne Group hereby unconditionally guarantees, on a joint and several basis, to each Holder of a Note delivered by Ampex (i) the due and punctual payment of the principal of and interest on such Note, when and as the same shall become due and payable, whether at maturity, by acceleration or otherwise, the due and punctual payment of interest on the overdue principal and interest, if any, of or on the Notes, to the extent lawful, and the due and punctual performance of all other obligations of Ampex to the Holders, all in accordance with the terms of such Notes and of this Agreement, and (ii) in the case of any extension of time of payment or renewal of any Notes, that the same will be promptly paid in full when due in accordance with the terms of the extension or renewal, at maturity, by acceleration or otherwise.

(b) Subject to the provisions of this Article III, each Guarantor hereby unconditionally guarantees, on a joint and several basis, to each Holder of a share of Series A Preferred Stock issued by Ampex pursuant to Section 2.3 the due and punctual payment of all accrued but unpaid dividends and other amounts payable to such Holder, when and as the same shall become due and payable, and the due and punctual performance of all other obligations of Ampex to the Holders, all in accordance with the terms of such Series A Preferred Stock and of this Agreement.

(c) Any demand for payment on any Guarantee shall be made first to the members of the Primary Sherborne Group, and if no member of such Group makes full payment hereunder within thirty (30) days after demand therefor, such payment shall be made by a member of the Secondary Sherborne Group promptly upon demand therefor by the Holder of the related Notes and/or share of Series A Preferred Stock. In all other respects, but subject to the provisions of subsection (e), the Guarantors hereby agree that their obligations hereunder shall be absolute and unconditional, irrespective of and unaffected by any invalidity, irregularity or unenforceability of any such Note, share of Series A Preferred Stock or this Agreement, any failure to enforce the provisions of any such Note, share of Series A Preferred Stock or this Agreement, any waiver, modification or indulgence granted to Ampex with respect thereto, by the Holder of such Note and/or share of Series A Preferred Stock, or any other circumstances which may otherwise constitute a legal or equitable discharge of a surety or guarantor.

(d) Each member of the Sherborne Group hereby waives diligence, presentment, filing of claims with a court in the event of merger or bankruptcy of Ampex, any right to require a proceeding first against Ampex, the benefit of discussion, protest or notice with respect to any such Note, share of Series A Preferred Stock or the indebtedness evidenced thereby and all demands whatsoever (except as specified above), and covenants that this Guarantee will not be discharged as to any such Note and/or share of Series A Preferred Stock except by payment in full of all amounts due with respect thereto. Each Guarantor further agrees that, as between such Guarantor, on the one hand, and Holders, on the other hand, (i) the maturity of the obligations guaranteed hereby may be accelerated for the purposes of this Guarantee, notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the obligations guaranteed hereby, and (ii) in the event of any declarations of acceleration of such obligations, such obligations (whether or not due and payable) shall forthwith become due and payable by each Guarantor for the purpose of this Guarantee, subject to the Demand Requirements. The obligations of each Guarantor under this Agreement shall be joint and several.

(e) Notwithstanding the foregoing or any other provision of this Agreement, until the final repayment of all indebtedness of SGI and Buffalo Color, whether existing on November 22, 1994 or incurred thereafter, the liability of members of the Sherborne Group (including, without limitation, Buffalo Color), if any, to any member of the Hillside Group with respect to the Obligations, shall not exceed the amount such entity is, from time to time, permitted to incur pursuant to the Loan Document Limitations. Hillside hereby acknowledges that the ability of SGI, Buffalo Color and their subsidiaries to incur Obligations to the members of the Hillside Group is limited by the Loan Document Limitations.

Section 3.2. Execution of Guarantee. To evidence their joint and several liability to the Holders specified in Section 3.1, the members of the Sherborne Group hereby agree to execute the instrument substantially in the form attached hereto as Exhibit A-1 on each Note executed and delivered by Ampex and each Guarantor hereby agrees to execute the instrument substantially in the form attached hereto as Exhibit A-1 on each share of Series A Preferred Stock issued pursuant to Section 2.3. Each Guarantor hereby agrees that its Guarantee set forth in Section 3.1 shall remain in full force and effect notwithstanding any failure to endorse on each Note or share of Series A Preferred Stock a notation of such Guarantee. Each such Guarantee shall be signed on behalf of each Guarantor by its Chairman of the Board, President or Vice President, and such execution shall constitute due delivery of such Guarantee on behalf of such Guarantor. Such signatures upon the Guarantee may be manual or facsimile signatures and may be imprinted or otherwise reproduced on the Guarantee, and in case any

officer who shall have signed the Guarantee shall cease to be an officer before the Note or share of Series A Preferred Stock on which such Guarantee is endorsed shall have been delivered by Ampex, such Note or Share of Series A Preferred Stock nevertheless may be delivered as though the person who signed the Guarantee had not ceased to be such officer of the Guarantor.

Section 3.3. Guarantors May Consolidate, Etc., on Certain Terms. Nothing contained in this Agreement or in any of the Notes shall prevent any consolidation or merger of a Guarantor with a corporation or corporations (whether or not a member of the Ampex Group or the Sherborne Group), or successive consolidations or mergers in which a Guarantor or its successor or successors shall be a party or parties; provided however, that, with the exception of the possible consolidation of, or merger between, Buffalo Color Corporation (or any successor thereto) and SGI, each Guarantor hereby covenants and agrees that it shall not consolidate or merge with or into any other member of the Ampex Group or the Sherborne Group if such other member is subject to Loan Document Limitations which would impair its ability to perform the Obligations of the Guarantor hereunder to a greater extent than the Loan Document Limitations to which the Guarantor is subject; and, provided further, that each Guarantor hereby covenants and agrees that upon any such consolidation or merger, the Guarantee endorsed on the Notes and shares of Series A Preferred Stock, and the due and punctual performance and observance of all of the covenants and conditions of this Agreement to be performed by such Guarantor, shall be expressly assumed (in the event that such Guarantor is not the surviving corporation in the merger), by supplemental agreement satisfactory in form to Hillside, executed and delivered to Hillside, by the surviving corporation or the corporation formed by such consolidation or merger. In addition, the Guarantor shall deliver to Hillside an Officer' s Certificate and an opinion of counsel, each stating that such merger or consolidation complies with this Section 3.3 and that all conditions precedent herein provided relating to such transaction have been satisfied. In the case of any such consolidation or merger, and upon the assumption by the successor corporation, by supplemental agreement, executed and delivered to Hillside and satisfactory in form to Hillside, of the Guarantee endorsed upon the Notes and the shares of Series A Preferred Stock and the due and punctual performance of all of the covenants and conditions of this Agreement to be performed by the Guarantor, such successor corporation shall succeed to and be substituted for the Guarantor, with the same effect as if it had been named herein as a Guarantor.

Such aforementioned successor corporation thereupon shall sign any or all of the Guarantees to be endorsed upon all of the Notes and the shares of Series A Preferred Stock issuable hereunder which theretofore shall not have been signed and delivered by the Issuer. All the Guarantees so issued shall in all respects have the same legal rank and benefit under this Agreement as the Guarantees theretofore and thereafter issued in accordance with the terms of this Agreement as though all of such Guarantees had been issued at the date of the execution hereof. Nothing in this Section 3.3 shall limit the effectiveness of Section 3.1.

Section 3.4. Subrogation. The Guarantors shall be subrogated to all rights of the Holder of each Note and share of Series A Preferred Stock issued pursuant to Section 2.3 against Ampex in respect of any amounts paid to the Holder by the Guarantors pursuant to the provisions of this Guarantee and upon full payment thereof such Note or share of Series A Preferred Stock, as the case may be, shall at the written request of the Guarantors be assigned to them; provided that the Guarantors shall not be entitled to enforce, or to receive any payments arising out of or based upon, such right of subrogation or assignment until the principal of and

interest on all the Notes or amounts due and payable with respect to such Series A Preferred Stock, as the case may be, shall have been paid in full. If any amount shall be paid to any Guarantor in violation of the preceding sentence and the Notes and all amounts due and payable with respect to the Series A Preferred Stock shall not have been paid in full, such amount shall be deemed to have been paid to such Guarantor for the benefit of, and held in trust for the benefit of, the Holders of the Notes and shares of Series A Preferred Stock, as the case may be, and shall forthwith be paid to the Holders to be credited and applied upon the Notes and shares of Series A Preferred Stock, as the case may be.

ARTICLE IV.

COVENANTS

Section 4.1. Notice of Payment.

(a) Ampex hereby covenants that it shall direct the trustee of each Plan to provide notice in writing to Hillside, as soon as practicable, following receipt of a payment of a Required Contribution to either of the Plans.

(b) No later than sixty (60) days prior to the Quarterly Due Date with respect to each Plan, Ampex shall provide notice in writing to Hillside of Ampex' s ability and intention to make the Quarterly Contribution to such Plan on or before the Quarterly Due Date.

(c) No later than sixty (60) days prior to the Annual Due Date with respect to each Plan, Ampex will provide notice in writing to Hillside of Ampex' s ability and intention to make the Annual Contribution to such Plan on or before the Annual Due Date.

Section 4.2. Reports.

(a) With respect to each incorporated and unincorporated member of the Sherborne Group, SGI will provide, or cause to be provided, to Hillside (and any other member of the Hillside Group which is then a Holder) copies of each of the following:

(i) as soon as practicable, annual audited financial statements (income statement, balance sheet, statement of cash flow, statement of changes in shareholders' equity and any accompanying notes thereto);

(ii) as soon as practicable, but in any event within sixty (60) days after the end of each of the first three fiscal quarters of each fiscal year, and within one hundred and twenty (120) days after the end of each fiscal year, unaudited consolidated and consolidating balance sheets of the parent entity in each Group and its significant domestic subsidiaries as of the end of the fiscal quarter, and the related unaudited consolidated and consolidating statements of income, shareholders' , equity and cash flows (or changes in financial position) for such quarter (and for the period from the beginning of the then current fiscal year to the end of such fiscal quarter) or, in the case of the year-end information, for such fiscal year, and the corresponding figures as of the end of, and for, the corresponding period in the preceding fiscal year, together in each case with an appropriate Officer' s Certificate. To the extent that financial statements are not otherwise prepared for a Reporting Entity or any foreign subsidiary (whether or not incorporated) under Common Control with Ampex, the Reporting Entity or such foreign subsidiary shall provide the respective underlying trial balances for the applicable period;

(iii) as soon as practicable, monthly unaudited consolidated statements of income and related balance sheets of the parent entity in the Sherborne Group;

(iv) during the first quarter of each fiscal year, a financial forecast of income of the parent entity in the Sherborne Group for such fiscal year, prepared on an annual and a quarterly basis; and

(v) within thirty (30) days after the end of each Calendar Year, an organization chart displaying the members of the Sherborne Group and any entity of which 20% or more of the equity interest is owned in the aggregate by members of the Sherborne Group (a "20% Owned Entity"). Such chart shall indicate (separately as to each class of equity, including options and warrants, if any) the percentage ownership interest that members of the Sherborne Group have in each other, and in each 20% Owned Entity (as defined in the preceding sentence). Such chart shall be updated more often than annually if additional updating is necessary to keep Hillside reasonably informed of the current existing relationships.

(b) Each Reporting Entity and any foreign subsidiary (whether or not incorporated) under Common Control with Ampex covenants to provide to Hillside with reasonable promptness as many of the following reports as are within the control of the Reporting Entity or such foreign subsidiary: (i) SEC filings; (ii) projections for contributions for the next ten (10) years to be made available whenever prepared by the consulting actuary at the request of the Reporting Entity or any foreign subsidiary (whether or not incorporated) under Common Control with Ampex and in any event no less frequently than once every three (3) years; (iii) actuarial reports, participant data, Forms 5500 with Schedule B' s or SB' s and any other data reasonably requested by Hillside relating to the Plans; (iv) debt covenant compliance analyses furnished to lenders; (v) full monthly and annual reports or statements of the Master Trust in which one or both of the Plans participate; and (vi) copies of any reports or information submitted to the PBGC under the Joint Settlement Agreement. From time to time, upon Hillside' s request, the parent entity of the Sherborne Group will make available to Hillside the chief executive officer or chief financial officer of Sherborne to answer questions concerning the financial statements and other information furnished pursuant to subsection (a) above and this subsection (b).

(c) The members of the Hillside Group shall maintain all information furnished pursuant to this Section 4.2 in confidence; provided that the Hillside Group shall not be required to maintain information in confidence to the extent it (i) is or becomes publicly available other than as a result of a disclosure by the Hillside Group; (ii) becomes available to the members of the Hillside Group on a nonconfidential basis from a source other than the Sherborne Group or the PBGC, provided that such source is not known by Hillside to be subject to any prohibition against transmitting such information to the Hillside Group; (iii) is required by Applicable Law to be disclosed; (iv) pertains to a legal dispute (whether conducted in the form of litigation, arbitration or alternative dispute resolution procedures) between one or more members of the Hillside Group and one or more of members of the Ampex Group and/or Sherborne Group for a breach of, or to enforce the terms of, this Agreement; or (v) is disclosed to any person who controls, is controlled by or is under common control with Hillside, provided that such person agrees to be bound by the same confidentiality requirements, and subject to the same exceptions, as Hillside.

Section 4.3. Restrictions on Company Distributions. Without the prior approval of the Hillside Group, no member of the Sherborne Group shall make Company Distributions in excess of $500,000 in any fiscal year.

Section 4.4. Restrictions on Asset Sales. No member of the Sherborne Group shall sell or transfer (other than in the ordinary course of its business) any assets to any person other than a Non-Affiliate, without the prior written consent of Hillside; provided, however, that this Section 4.4 shall not apply to a sale or transfer of assets if the transaction is for fair market value (as determined in good faith by the Board of Directors of the seller or transferor, using any reasonable method of valuation), and written notice shall have been furnished to Hillside within thirty (30) days after such transaction, which notice shall include the nature of the assets, the identity of the purchaser or transferee and the fair market value of the assets and the basis for such determination.

Section 4.5. Grantor Trusts. During the period of the duration of the Joint Settlement Agreement, no member of the Sherborne Group shall transfer any amounts to a trust the assets of which are not available to creditors in the absence of the commencement of a bankruptcy proceeding.

Section 4.6. Notices, etc.

(a) Hillside will immediately advise Ampex and SGI of any notice (whether written or oral) of intent to terminate either of the Plans issued by Hillside or any member of the Hillside Group or received from the PBGC.

(b) SGI shall notify Hillside of any Company Distribution made in property (excluding cash and stock dividends) at least ten (10) days prior to the date on which the property is to be distributed. Such notice shall include (i) the nature of the property, (ii) the value of the property and (iii) the method by which the property was valued.

(c) In the event that a member of the Hillside Group has assumed a Plan, such member of the Hillside Group shall notify Ampex of its intention to make a contribution to the Plan at least ten (10) days prior to the date on which it will make a contribution to such Plan.

Section 4.7. Foreign Subsidiaries. No member of the Sherborne Group shall transfer cash to any foreign subsidiaries (including joint ventures and partnerships) in excess of amounts reasonably necessary, in the good faith judgment of their respective Boards of Directors, for the commercial and financial requirements of such subsidiaries. Domestic facilities of the members of the Sherborne Group shall not be relocated abroad except for commercial reasons as determined in good faith by the applicable Board of Directors. The members of the Sherborne Group shall not transfer ownership of domestic facilities to foreign subsidiaries. The members of the Sherborne Group shall use their best efforts to repatriate surplus cash not reasonably required for subsidiaries' needs, to the extent legally permissible.

ARTICLE V.

INTENTIONALLY OMITTED

ARTICLE VI.

CONTROL OF INVESTMENT OF PLAN ASSETS

Section 6.1. Named Fiduciary.

(a) No further investment on behalf of any Plan shall be made in any security which would be considered an "employer security" under Section 407 of ERISA, with respect to Ampex (determined for this purpose as if each member of the Sherborne Group, but no member of the Hillside Group, is affiliated with Ampex).

(b) Park A.Q. Pension Management Inc., an affiliate of Hillside, shall be the sole named fiduciary with respect to investment and management of all of the assets of the Plans, other than any assets of the Plans consisting of "employer securities" under section 407 of ERISA, as to which United States Trust Company of New York shall be the sole named fiduciary with respect to investment and management; provided, however, that if all or any portion of such employer securities are disposed of by United States Trust Company of New York prior to, on or after the date of this Agreement the proceeds of such disposition shall be delivered to the HI01 cash account of the Ampex Retirement Master Trust and thereafter Park A.Q. Pension Management Inc. shall be the sole named fiduciary with respect to investment and management of all of the assets of the Plans except for any remaining employer securities held by United States Trust Company of New York. Park A.Q. Pension Management Inc. shall have the sole responsibility for all investment decisions, including appointing, retaining or removing investment managers and setting investment guidelines, with respect to all of the assets of the Plan as to which it acts as the named fiduciary. If Park A.Q. Pension Management, Inc. ceases for any reason to be the sole named fiduciary with respect to investment and management of the assets of the Plans as described in this clause (b), the investment guidelines on the investment of each Plan' s assets as established by Park A.Q. Pension Management, Inc. immediately prior to the date it ceases to be such sole named fiduciary shall be delivered in written form to Hillside and Ampex prior to such date, shall continue in full force and effect from and after such date and shall thereafter only be changed by Hillside. Hillside shall have the option, but not the obligation, to assume, or cause a member of the Limited Hillside Group to assume as Plan Sponsor and plan administrator, the Systems Plan and/or the Media Plan. Hillside shall indemnify (and shall pay all reasonable costs and expenses including attorney' s fees incurred by) the members of the Ampex Group and the Sherborne Group for any claim against any members of the Ampex Group or the Sherborne Group resulting from such member of the Limited Hillside Group' s actions with respect to investment management of assets of such Plan and , if Hillside elects to assume or cause another member of the Hillside Group to assume the Plans, resulting from the administration of the Plans, but not for any claims brought by any member of the Ampex Group or Sherborne Group (or AFC) which at the time of the claim controls, is controlled by or is under Common Control with another member of the Ampex Group or Sherborne Group.

(c) In the event that Hillside elects to assume, or cause another member of the Limited Hillside Group to assume, the Systems Plan and/or the Media Plan, the assets of each such Plan shall be withdrawn from the Master Trust and (i) if Hillside has not elected to assume or cause another member of the Limited Hillside Group to assume the Plan or Plans, such amount shall be transferred to a new trust which shall be established by Ampex for this purpose (with the same trustee as the Master Trust, or with such other trustee as Ampex may determine subject to the written consent of Hillside) or (ii) in the event Hillside has elected to assume, or cause another member of the Limited Hillside Group to assume, the Plan or Plans, such amount shall be transferred to a new trust which shall be established by Hillside (or such other Limited Hillside Group member) for this purpose. In allocating the assets of the Master Trust among the plans invested therein, all assets shall be allocated on a pro rata basis.

(d) In the event that Hillside or a member of the Limited Hillside Group assumes a Plan, thereafter Hillside shall provide, or cause such other member of the Limited Hillside Group to provide, Ampex with actuarial reports, projections for contributions, participant data and Forms 5500 with Schedule B' s or SB' s and any other data reasonably requested with respect to such assumed Plan.

(e) If on the later of (i) the date on which the Joint Settlement Agreement shall terminate and (ii) the date on which all Notes and other obligations hereunder have been satisfied in full, a member of the Limited Hillside Group is a Plan Sponsor, the employer of the participants in such Plan, or an entity which is under Common Control with such employer, shall have the right to assume said Plan.

ARTICLE VII.

CONTROL OVER PLANS

Section 7.1. Control Over Plans.

(a) Ampex (or any member of the Ampex Group that becomes Plan Sponsor) shall continue each of the Plans for the duration of the Joint Settlement Agreement unless (i) a member of the Limited Hillside Group assumes such Plan or (ii) such Plan becomes sufficiently funded to qualify for a Standard Termination in which case the then Plan Sponsor shall promptly provide the required notices (with copies to Hillside) for a Standard Termination and terminate such Plan at the earliest practicable date.

(b) No member of the Ampex Group shall (i) amend either of the Plans to resume accruals thereunder, (ii) adopt any other plan which is subject to Title IV of ERISA or (iii) enter into any transaction which would result in any member of the Ampex Group or AFC becoming jointly and severally liable for contributions to or termination liability for a plan subject to Title IV of ERISA.

(c) Ampex (or any member of the Ampex Group that becomes a Plan Sponsor) shall not apply for a Funding Waiver for either Plan without the advance written approval of Hillside.

(d) Ampex (or any member of the Ampex Group that becomes a Plan Sponsor) shall not permit any plan-to-plan transfers of either assets or liabilities from or to either of the Plans or any plan mergers involving either Plan as long as this Agreement is in effect without Hillside' s advance written approval which shall not be unreasonably withheld.

(e) Ampex (or any member of the Ampex Group that becomes a Plan Sponsor) to the extent permitted by Applicable Law shall not change either Plan' s actuary without the advance written approval of Hillside. If either Plan' s actuary proposes to change its actuarial methods or assumptions from those used in the January 1, 1994 actuarial reports attached to the Original Agreement as Exhibit C, such proposal shall first be submitted in writing to Hillside and if Hillside finds such changes to be unreasonable, then to the extent permitted by Applicable Law, Ampex will appoint a successor actuarial consultant acceptable to Ampex and to Hillside.

(f) Ampex (or any member of the Ampex Group that becomes a Plan Sponsor) shall, to the extent permitted by Applicable Law, comply with any request by Hillside to take any action with respect to a Plan in its role as Plan Sponsor, or to refrain from taking any action with respect to a Plan in its role as Plan Sponsor, including, but not limited to, (i) applying for a Funding Waiver and (ii) amending a Plan.

ARTICLE VIII.

REPRESENTATIONS AND WARRANTIES

Section 8.1. General Representations and Warranties. Each of the members of the Ampex Group and the Sherborne Group represents and warrants to Hillside, and each member of the Limited Hillside Group represents and warrants to Ampex and SGI, that it has full power and authority to enter into this Agreement and that this Agreement constitutes a legal, valid, and binding obligation of each of the members of the Ampex Group, the Sherborne Group and the Limited Hillside Group, as the case may be, enforceable against each of the members of the Ampex Group, the Sherborne Group and the Limited Hillside Group, as the case may be, in accordance with its terms.

Section 8.2. Additional Representations and Warranties. Each member of the Ampex Group and Sherborne Group represents and warrants to Hillside that:

(a) No Violation. As of the date of this Agreement, none of the execution or delivery by each member of the Ampex Group and the Sherborne Group of this Agreement or any other agreement or instrument contemplated hereby (i) will violate (A) any provision of Applicable Law, or the certificate of incorporation or bylaws (or similar governing documents) of such entity or (B) any indenture, agreement or other instrument to which any member of the Ampex Group or the Sherborne Group is a party or by which such entity or any of such entity' s property is bound, (ii) will conflict with or result in a breach of any of the terms, covenants, conditions or provisions of any such indenture, agreement or instrument, or constitute (with notice or lapse of time or both) a default thereunder, or result in the creation or imposition of (or the obligation to create or impose) any lien upon any property or assets of any member of the Ampex Group or the Sherborne Group pursuant to any such indenture, agreement or other instrument.

(b) True and Complete Disclosure, No Material Misstatements. All factual information provided herein or heretofore provided in connection with this Agreement was true and accurate in all material respects on the date as of which such information was dated or certified. All financial statements and projections concerning the Ampex Group and the Sherborne Group that are or have been made available to Hillside have been or will be prepared in good faith. There is no fact known to any entity in the Ampex Group or the Sherborne Group which could reasonably be expected to materially and adversely affect the business, operations, property, assets or condition (financial or otherwise) of the members of the Ampex Group or the Sherborne Group, taken as a whole, which has not been disclosed herein or in such other documents, certificates and statements furnished to Hillside or its advisors or otherwise made available to the public for use in connection with the transactions contemplated hereby.

Section 8.3. Additional Representations and Warranties of Ampex. Ampex hereby represents and warrants the following to Hillside:

(a) No Funding Waivers have been applied for or received with respect to the Plans; and

(b) The signatories to this Agreement and AFC, Xepma I Inc., Xepma IV Inc. and NHI are the only domestic entities under Common Control with Ampex or Ampex Media which have assets in excess of $10,000, except for any member of the Hillside Group which the PBGC asserts is under such Common Control.

ARTICLE IX.

GENERAL PROVISIONS

Section 9.1. Entire Agreement. This Agreement and the Exhibits hereto and the Joint Settlement Agreement and the exhibits thereto contain the entire and exclusive agreement and understanding of the parties and supersede all prior agreements, understandings, commitments and proposals, oral or written, between the parties relating to the subject matter hereof, and no other agreement or understanding exists except as expressly set forth herein. The parties agree that should a court be called upon to interpret any provision of this Agreement, previous drafts shall not be used by any party in any manner to support its interpretation of the meaning of this Agreement. Each party hereto and its counsel have reviewed this Agreement and have participated in its drafting and, accordingly, no party shall attempt to invoke the normal rule of construction to the effect that ambiguities are to be resolved against the drafting party in any interpretation of this Agreement.

Section 9.2. Governing Law and Jurisdiction.

(a) This Agreement shall be interpreted in accordance with and governed by the law of the State of New York (without regard to choice of law provisions), except to the extent preempted by Federal law.

(b) Each member of the Ampex Group hereby irrevocably appoints Ampex as its agent for service of process in respect of any action or proceeding with respect to any dispute arising under or pertaining to this Agreement.

(c) Each member of the Sherborne Group hereby irrevocably appoints SGI as its agent for service of process in respect of any action or proceeding with respect to any dispute arising or pertaining to this Agreement.

(d) Each member of the Limited Hillside Group hereby irrevocably appoints Hillside as its agent for service of process with respect to any action or proceeding with respect to any dispute arising under or pertaining to this Agreement.

(e) Any lawsuit or claim arising under or relating to this Agreement shall be brought in a United States District Court of competent jurisdiction or if no United States District Court has competent jurisdiction, then in the appropriate Court in the State of New York.

Section 9.3. Modifications. No provision of this Agreement (including the Exhibits hereto) may be modified or amended, except pursuant to an agreement entered into by Hillside, the members of the Ampex Group and the members of the Sherborne Group evidenced by written instruments signed by their authorized representatives and no provision of this Agreement may be waived except pursuant to a written instrument signed by the authorized representative of the waiving party.

Section 9.4. Notices. Any notice, consent, approval or other communication required or permitted under this Agreement shall be in writing and shall be delivered by hand or overnight courier service, sent by telefacsimile transmission or other wire transmission (with request for assurance of receipt in a manner customary for communications of such respective type), or by certified or registered mail, postage prepaid, and shall be deemed duly given when so delivered or sent by telefacsimile transmission or if sent by overnight courier service, on the first Business Day after dispatch by overnight courier, or if sent by certified or registered mail, five Business Days after the date of dispatch to the following respective addressees at the address or telefacsimile number set forth below:

To Ampex and members of the Ampex Group:

Ampex Corporation
1228 Douglas Avenue
Redwood City, California 94063-3177
Attn: Joel D. Talcott, Esq. General Counsel
Telefacsimile No.: (650) 367-4669

To members of the Sherborne Group:

Mr. Craig McKibben
135 E. 57th Street, 32nd Floor
New York, New York 10022
Telefacsimile No.: (212) 735-1001

To Hillside and members of the Hillside Group:

Hillside Capital Incorporated
405 Park Avenue

New York, New York 10022
Attention: Raymond F. Weldon
Telefacsimile No.: (212) 759-4831

with copies to:

Patterson Belknap Webb & Tyler, LLP
1133 Avenue of the Americas
New York, New York 10036-6710
Attention: Jeffrey E. LaGueux, Esq.
Telefacsimile No: (212) 336-2222

or to such other entities or addresses as any entity entitled to notice hereunder may from time to time designate by notice in accordance with this Section 9.4 to the other party or parties. If the effective date of notice shall fall upon a day that is not a Business Day, notice shall not be deemed effective until the next Business Day.

Section 9.5. No Waiver. No failure of any party to this Agreement to enforce at any time any of the provisions of this Agreement or to exercise any option under this Agreement and no course of dealing between or among any member of the Ampex Group, the Hillside Group and/or, the Sherborne Group shall be construed to be a waiver of any such provision or option, or shall in any way affect the validity of this Agreement or the right of any party to enforce each and every one of its provisions or options.

Section 9.6. Benefits. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective permitted successors and assigns. Wherever in this Agreement any of the parties hereto is referred to, such reference shall be deemed to refer to and include the permitted successors and assigns of such party, and all covenants, promises and agreements by or on behalf of any party that are contained in this Agreement shall bind and inure to the benefit of their respective permitted successors and assigns.

Section 9.7. Execution. This Agreement may be executed in any number of identical counterparts, each of which shall be an original as against the party who signed it, and all of which together shall constitute one and the same instrument. No party to this Agreement shall be bound by this Agreement until a counterpart has been executed by or on behalf of each party hereto.

Section 9.8. Captions. The captions to the several Articles and Sections of this Agreement and the table of contents have been inserted for convenience of reference only and shall not in any way affect the meaning or construction of any provision of this Agreement.

Section 9.9. Severability. Any provision of this Agreement that shall be prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereto.

Section 9.10. Survival. The obligations, agreements, indemnities, representations, and warranties contained in this Agreement shall not be affected by and shall survive and shall continue in effect following the execution and delivery of this Agreement and shall be and continue in effect notwithstanding any waiver of compliance with any of the terms, provisions, or conditions of this Agreement.

Section 9.11. Termination. If Ampex is the Plan Sponsor of any Plan which has not terminated, this Agreement shall terminate, upon the later of (i) the date on which the Joint Settlement Agreement shall terminate, and (ii) the date on which all Notes and other obligations hereunder have been satisfied in full.

Section 9.12. Deductions. Nothing in this Agreement shall limit any party to claim a deduction for, and to expense, any contribution to the Plans as it in its sole discretion deems appropriate.

[Remainder of Page Intentionally Left Blank]

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

AMPEX GROUP:

AMPEX CORPORATION

By: /s/ Joel D. Talcott
Name: Joel D. Talcott
Title: General Counsel & Secretary
Telephone No: (650) 367-3330
Fax No: (650) 367-3440

AMPEX DATA SYSTEMS CORPORATION

By: /s/ Joel D. Talcott
Name: Joel D. Talcott
Title: General Counsel & Secretary
Telephone No: (650) 367-3330
Fax No: (650) 367-3440

AMPEX FINANCE CORPORATION

By: /s/ Joel D. Talcott
Name: Joel D. Talcott
Title: General Counsel & Secretary
Telephone No: (650) 367-3330
Fax No: (650) 367-3440

AMPEX INTERNATIONAL SALES CORPORATION

By: /s/ Joel D. Talcott
Name: Joel D. Talcott
Title: General Counsel & Secretary
Telephone No: (650) 367-3330
Fax No: (650) 367-3440

LIMITED HILLSIDE GROUP:

HILLSIDE CAPITAL INCORPORATED

By: /s/ Raymond F. Weldon
Name: Raymond F. Weldon
Title: Managing Director
Telephone No: (212) 935-6090
Fax No: (212) 759-4831

BROOKSIDE INTERNATIONAL INCORPORATED

By: /s/ Raymond F. Weldon
Name: Raymond F. Weldon
Title: Managing Director
Telephone No: (212) 935-6090
Fax No: (212) 759-4831

BROOKSIDE INTERNATIONAL LLC

By Cliffdale Advisors, Inc., its Manager

By: /s/ Raymond F. Weldon
Name: Raymond F. Weldon
Title: Managing Director
Telephone No: (212) 935-6090
Fax No: (212) 759-4831

SHERBORNE GROUP:

NEWHILL PARTNERS, L.P.

By: Sherborne & Company, Inc.,
General Partner

By: /s/ Craig L. McKibben
Name: Craig L. McKibben
Title: VP
Telephone No: (212) 759-6301
Fax No:

SHERBORNE HOLDINGS INCORPORATED

By: /s/ Craig L. McKibben
Name: Craig L. McKibben
Title: VP
Telephone No: (212) 759-6301
Fax No:

NH BOND CORP.

By: /s/ Craig L. McKibben
Name: Craig L. McKibben
Title: President
Telephone No: (212) 759-6301
Fax No:

XEPMA II INC.

By: /s/ Craig L. McKibben
Name: Craig L. McKibben
Title: VP
Telephone No: (212) 759-6301
Fax No:

XEPMA III INC.

By: /s/ Craig L. McKibben

Name: Craig L. McKibben

Title: VP

Telephone No: (212) 759-6301

Fax No:

EXHIBIT 10.2

CREDIT AGREEMENT

dated as of

October 3, 2008

between

AMPEX CORPORATION,
as Borrower

THE SUBSIDIARY GUARANTORS Party Hereto,

and

HILLSIDE CAPITAL INCORPORATED,
as Lender

Up to $25,000,000

TABLE OF CONTENTS

	Page
ARTICLE I	
DEFINITIONS	
SECTION 1.01 Defined Terms	2
SECTION 1.02 Terms Generally	16
SECTION 1.03 Accounting Terms; GAAP	16
SECTION 1.04 Changes in Fiscal Year	17
ARTICLE II	
THE CREDITS	
SECTION 2.01 The Loans	17
SECTION 2.02 Minimum Amounts of Tranche C Loans	17
SECTION 2.03 Requests for Tranche C Loans	18
SECTION 2.04 Funding of Loans	18
SECTION 2.05 Termination of the Commitments	18
SECTION 2.06 Repayment of Loans; Evidence of Debt	18
SECTION 2.07 Prepayment of Loans	20
SECTION 2.08 Interest	22
SECTION 2.09 Taxes	22
SECTION 2.10 Payments Generally	24

ARTICLE III

GUARANTEE

SECTION 3.01 The Guarantee 25

SECTION 3.02 Obligations Unconditional 25

SECTION 3.03 Reinstatement 26

SECTION 3.04 Subrogation 26

SECTION 3.05 Remedies 26

SECTION 3.06 Instrument for the Payment of Money 26

SECTION 3.07 Continuing Guarantee 27

SECTION 3.08 Rights of Contribution 27

SECTION 3.09 General Limitation on Guarantee Obligations 27

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF THE BORROWER

SECTION 4.01 Organization; Powers 28

SECTION 4.02 Authorization; Enforceability 28

SECTION 4.03 Governmental Approvals; No Conflicts 28

Page

SECTION 4.04 Financial Condition 29

SECTION 4.05 Properties 29

SECTION 4.06 Litigation and Environmental Matters 29

SECTION 4.07 Compliance with Laws and Agreements 30

SECTION 4.08 Investment Company Status 30

SECTION 4.09 Taxes 30

SECTION 4.10 ERISA 30

SECTION 4.11 Disclosure 30

SECTION 4.12 Use of Credit 31

SECTION 4.13 Material Agreements and Liens 31

SECTION 4.14 Capitalization 31

SECTION 4.15 Subsidiaries and Investments 32

ARTICLE IV-A

REPRESENTATIONS AND WARRANTIES OF THE LENDER

SECTION 4.01A. Resale of Notes 32

ARTICLE V

CONDITIONS

SECTION 5.01 Closing Date 33

SECTION 5.02 Each Credit Event 35

ARTICLE VI

AFFIRMATIVE COVENANTS

SECTION 6.01 Financial Statements and Other Information 36

SECTION 6.02 Notices of Material Events 38

SECTION 6.03 Existence; Conduct of Business 38

SECTION 6.04 Payment of Obligations 38

SECTION 6.05 Maintenance of Properties; Insurance 39

SECTION 6.06 Books and Records; Inspection Rights 39

SECTION 6.07 Compliance with Laws 39

SECTION 6.08 Use of Proceeds 39

SECTION 6.09 Certain Obligations Respecting Subsidiaries; Further Assurances 39

SECTION 6.10 Good Standing 40

Page

ARTICLE VII

NEGATIVE COVENANTS

SECTION 7.01 Indebtedness 41

SECTION 7.02 Liens 41

SECTION 7.03 Fundamental Changes 42

SECTION 7.04 Lines of Business 42

SECTION 7.05 Investments and Capital Expenditures 42

SECTION 7.06 Restricted Payments 43

SECTION 7.07 Transactions with Affiliates 43

SECTION 7.08 Restrictive Agreements 43

SECTION 7.09 Modifications of Certain Documents 44

ARTICLE VIII

EVENTS OF DEFAULT

SECTION 8.01 Events of Default 44

SECTION 8.02 Application of Payments 47

ARTICLE IX

MISCELLANEOUS

SECTION 9.01 Notices 47

SECTION 9.02 Waivers; Amendments 48

SECTION 9.03 Expenses; Indemnity; Damage Waiver 48

SECTION 9.04 Successors and Assigns 49

SECTION 9.05 Survival 51

SECTION 9.06 Counterparts; Integration; Effectiveness 51

SECTION 9.07 Severability 51

SECTION 9.08 Right of Setoff 51

SECTION 9.09 Governing Law; Jurisdiction; Etc. 52

SECTION 9.10 WAIVER OF JURY TRIAL 52

SECTION 9.11 Headings 53

SECTION 9.12 Treatment of Certain Information; Confidentiality 53

SECTION 9.13 USA PATRIOT Act 54

Page

SCHEDULE 1 - Material Agreements and Liens

SCHEDULE 2 - Restrictive Agreements

SCHEDULE 3 - Subsidiaries and Investments

SCHEDULE 4 - Litigation

SCHEDULE 5 - Environmental

SCHEDULE 6 - Letters of Credit

SCHEDULE 7 - Good Standing Exceptions

EXHIBIT A - Form of Security Agreement

EXHIBIT B - Form of Intercreditor Agreement

EXHIBIT C - Form of Guarantee Assumption Agreement

CREDIT AGREEMENT dated as of October 3, 2008 (as amended, restated, supplemented or otherwise modified from time to time, this "Agreement"), between AMPEX CORPORATION as Borrower, the SUBSIDIARY GUARANTORS party hereto and HILLSIDE CAPITAL INCORPORATED as Lender.

REFERENCE IS MADE TO THE INTERCREDITOR AGREEMENT REFERRED TO BELOW. NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, THE LIENS AND SECURITY INTERESTS GRANTED TO THE COLLATERAL AGENT FOR THE BENEFIT OF THE CLAIMHOLDERS PURSUANT TO THE SECURITY AGREEMENT AND THE EXERCISE OF ANY RIGHT OR REMEDY BY THE COLLATERAL AGENT AND THE OTHER CLAIMHOLDERS THEREUNDER OR HEREUNDER ARE SUBJECT TO THE PROVISIONS OF THE INTERCREDITOR AGREEMENT. IN THE EVENT OF ANY CONFLICT BETWEEN THE TERMS OF THE INTERCREDITOR AGREEMENT AND THIS AGREEMENT, THE TERMS OF THE INTERCREDITOR AGREEMENT SHALL GOVERN.

RECITALS:

WHEREAS, the Borrower (as hereinafter defined) has commenced a voluntary case (the "Chapter 11 Case") under Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court") and the Borrower has continued to operate its businesses and manage its property as debtor-in-possession pursuant to sections 1107 and 1108 of the Bankruptcy Code.

WHEREAS, by order, dated July 31, 2008, the Bankruptcy Court confirmed the "First Modified Third Amended Joint Chapter 11 Plan of Reorganization for Ampex Corporation and its Affiliated Debtors", dated July 31, 2008 (as amended, supplemented or otherwise modified from time to time, the "Plan of Reorganization"), in accordance with section 1129 of the Bankruptcy Code.

WHEREAS, pursuant to the Plan of Reorganization, the Borrower and the Subsidiary Guarantors (as hereinafter defined) are herewith entering into this Agreement and the other Transaction Documents (as so defined) to partially satisfy the Prepetition Debt Obligations (as so defined) as provided in the Plan of Reorganization, to pay certain fees, costs and expenses, and to consummate the Plan of Reorganization and for other purposes as provided herein. In that connection, the Obligors have requested that the Lender (as so defined) make loans to the Borrower in an aggregate principal amount not exceeding $5,000,000 for such purposes.

WHEREAS, to induce the Lender to make such loans, the Obligors and the Lender propose to enter into this Agreement, pursuant to which the Lender will make such loans to the Borrower, certain other loans will be deemed made to the Borrower, and the Subsidiary Guarantors will guarantee the loans so made and deemed made to the Borrower and each of the Obligors will agree to execute and deliver security agreements providing for security interests and liens to be granted by the Obligors on substantially all of their respective properties as collateral security for the obligations of the Obligors to the Lender hereunder and under the Senior Notes. Each of the Obligors expects to derive benefit, directly or indirectly, from the loans so made to the Borrower, both in its separate capacity and as a member of the integrated

group, since the successful operation of each of the Obligors is dependent on the continued successful performance of the functions of the integrated group as a whole and the refinancing of the Borrower' s existing indebtedness.

WHEREAS, the Lender is prepared to make such loans upon the terms and conditions hereof, and, accordingly, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

SECTION 1.01 Defined Terms. As used in this Agreement, the following terms have the meanings specified below:

"Acquisition" means an acquisition by the Borrower or any of its Subsidiaries of a business of any Person or a business line or division of any Person (whether by way of purchase of assets or stock, including any tender for outstanding shares of stock, by merger or consolidation, by acceptance of a contribution of capital from another Person, or otherwise).

"Affiliate" means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

"Agreement" has the meaning assigned to such term in the introductory paragraph hereto.

"Ampex Group" means the Borrower and any domestic subsidiary (whether or not incorporated) under Common Control with the Borrower, and any successor thereto.

"Applicable Rate" means 10% per annum.

"Approved Fund" means any Fund that is administered or managed by (a) the Lender, (b) an Affiliate of the Lender or (c) an entity or an Affiliate of an entity that administers or manages the Lender.

"Assignment and Assumption" means an assignment and assumption entered into between the Lender and an assignee in a form approved by the Lender.

"Bankruptcy Code" means the United States Bankruptcy Code, as set forth in Title 11 of the United States Code, as amended.

"Bankruptcy Court" has the meaning assigned to such term in the recitals hereto.

"Board" means the Board of Governors of the Federal Reserve System of the United States of America.

"Borrower" means Ampex Corporation, a Delaware corporation.

"Borrowing Request" means a request by the Borrower for a Tranche C Loan in accordance with Section 2.03.

"Business Day" means any day that is not a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to remain closed.

"California Tax Claims" means those certain (i) proofs of claim numbered 586, 587, 588, 589, 590, 591 and 592 filed on September 26, 2008, by the State of California Franchise Tax Board in the aggregate amount of $1,762,335.02 against the Borrower and the Subsidiary Guarantors, which are inclusive of (ii) claims asserted by the State of California Franchise Tax Board against the Borrower and the Subsidiary Guarantors in that certain letter dated September 24, 2008.

"Capital Expenditures" means, for any period, expenditures (including the aggregate amount of Capital Lease Obligations incurred during such period) made by the Borrower or any of its Subsidiaries to acquire or construct fixed assets, plant and equipment (including renewals, improvements and replacements, but excluding repairs) during such period computed in accordance with GAAP.

"Capital Lease Obligations" of any Person means the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under GAAP, and the amount of such obligations shall be the capitalized amount thereof determined in accordance with GAAP.

"Casualty Event" means, with respect to any property of any Person, any loss of or damage to, or any condemnation or other taking of, such property for which such Person or any of its Subsidiaries receives insurance proceeds, or proceeds of a condemnation award or other compensation.

"Change in Control" means (a) the acquisition of ownership, directly or indirectly, beneficially or of record, by any Person or group (within the meaning of the Securities Exchange Act of 1934 and the rules of the Securities and Exchange Commission thereunder as in effect on the date hereof) other than Hillside or any Affiliate thereof, of shares representing more than 49% of the aggregate ordinary voting power represented by the issued and outstanding capital stock of the Borrower; (b) occupation of a majority of the seats (other than vacant seats) on the board of directors of the Borrower by Persons who were neither (i) nominated by the board of directors of the Borrower nor (ii) appointed by directors so nominated; or (c) the acquisition of direct or indirect Control of the Borrower by any Person or group other than Hillside or any Affiliate thereof.

"Chapter 11 Case" has the meaning assigned to such term in the recitals hereto.

"Class", when used in reference to any Loan, refers to whether such Loan is a Tranche A Loan, Tranche B Loan, Tranche C Loan or Tranche D Loan and, when used in reference to any Commitment, refers to whether such Commitment is the Tranche B Commitment or Tranche C Commitment.

"Closing Date" means the date on which the conditions specified in Section 5.01 are satisfied (or waived by the Lender in accordance with Section 9.02).

"Code" means the Internal Revenue Code of 1986, as amended.

"Collateral" has the meaning assigned to such term in the Security Agreement.

"Collateral Agent" means Hillside, together with its successors and assigns as Collateral Agent under the Intercreditor Agreement.

"Commitment" means the Tranche B Commitment or the Tranche C Commitment, or any combination thereof (as the context requires).

"Common Control" shall have the same meaning as defined in section 4001(a)(14)(A) of ERISA and under rules found in 29 C.F.R. §4001.3.

"Consolidated EBITDA" means Consolidated Net Income plus (a) interest expense, (b) expense for taxes paid or accrued net of refundable taxes, (c) depreciation expense, (d) amortization expense, (e) other accrued non-cash charges, (f) extraordinary non-cash losses incurred other than in the ordinary course of business, minus, to the extent included in Consolidated Net Income, extraordinary non-cash gains realized other than in the ordinary course of business. Unless otherwise specified, inputs used in the calculation of Consolidated EBITDA shall be determined in accordance with GAAP in a consistently applied manner.

"Consolidated Net Income" means, for any period, the net income of the Borrower and its Subsidiaries, determined on a consolidated basis for such period, in accordance with GAAP.

"Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. "Controlling" and "Controlled" have meanings correlative thereto.

"Debt Incurrence" means the incurrence by the Borrower or any of its Subsidiaries after the Closing Date of any Indebtedness, excluding any Tranche C Loans or Tranche D Loans and Indebtedness permitted by Section 7.01.

"Default" means any event or condition which constitutes an Event of Default or which upon notice, lapse of time or both would, unless cured or waived, become an Event of Default.

"Disposition" means any sale, assignment, transfer or other disposition of any property (whether now owned or hereafter acquired) by the Borrower or any of its Subsidiaries to any other Person (other than the Borrower or a Wholly-Owned Subsidiary of the Borrower) excluding any sale, lease, license, assignment, transfer or other disposition of any property sold or disposed of in the ordinary course of business and on ordinary business terms.

"Dollars" or "$" refers to lawful money of the United States of America.

"Environmental Laws" means all laws, rules, regulations, codes, ordinances, orders, decrees, judgments, injunctions, notices or binding agreements issued, promulgated or entered into by any Governmental Authority, relating in any way to the environment, preservation or reclamation of natural resources, the management, release or threatened release of any Hazardous Material or to health and safety matters.

"Environmental Liability" means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of the Borrower or any Subsidiary directly or indirectly resulting from or based upon (a) violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials into the environment or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

"Equity Interests" means shares of capital stock, partnership interests, membership interests in a limited liability company, beneficial interests in a trust or other equity ownership interests in a Person, and any warrants, options or other rights entitling the holder thereof to purchase or acquire any such equity interest.

"Equity Issuance" means (a) any issuance or sale by the Borrower or any of its Subsidiaries after the Closing Date of (i) any of its capital stock, (ii) any warrants or options exercisable in respect of its capital stock (other than any warrants or options issued to directors, officers or employees of the Borrower or any of its Subsidiaries pursuant to employee benefit plans established in the ordinary course of business and any capital stock of the Borrower issued upon the exercise of such warrants or options) or (iii) any other security or instrument representing an equity interest (or the right to obtain any equity interest) in the Borrower or any of its Subsidiaries or (b) the receipt by the Borrower or any of its Subsidiaries after the Closing Date of any capital contribution (whether or not evidenced by any equity security issued by the recipient of such contribution); provided that Equity Issuance shall not include (x) any such issuance or sale by any Subsidiary of the Borrower to the Borrower or any Wholly-Owned Subsidiary of the Borrower, (x) any capital contribution by the Borrower or any Wholly-Owned Subsidiary of the Borrower to any Subsidiary of the Borrower, or (y) any such issuance or sale contemplated by the Hillside-Ampex/ Sherborne Agreement or (z) any such issuance or sale to directors, officers or employees of the Borrower or any Subsidiary of the Borrower pursuant to any benefit plan or arrangement approved by the Board of Directors of the Borrower, provided that prior to any such issuance or sale the Lender receives notice thereof and approves such issuance or sale.

"Equity Rights" means, with respect to any Person, any subscriptions, options, warrants, commitments, preemptive rights or agreements of any kind (including any shareholders' or voting trust agreements) for the issuance, sale, registration or voting of, or securities convertible into, any additional shares of capital stock of any class, or partnership or other ownership interests of any type in, such Person.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time.

"ERISA Affiliate" means any trade or business (whether or not incorporated) that, together with the Borrower, is treated as a single employer under Section 414(b) or (c) of the Code, or, solely for purposes of Section 302 of ERISA and Section 412 of the Code, is treated as a single employer under Section 414 of the Code.

"ERISA Event" means (a) any "reportable event", as defined in Section 4043 of ERISA or the regulations issued thereunder with respect to a Plan (other than an event for which the 30-day notice period is waived); (b) the existence with respect to any Plan of an "accumulated funding deficiency" (as defined in Section 412 of the Code or Section 302 of ERISA), whether or not waived; (c) the filing pursuant to Section 412(d) of the Code or Section 303(d) of ERISA of an application for a waiver of the minimum funding standard with respect to any Plan; (d) the incurrence by the Borrower or any of its ERISA Affiliates of any liability under Title IV of ERISA with respect to the termination of any Plan; (e) the receipt by the Borrower or any ERISA Affiliate from the PBGC or a plan administrator of any notice relating to an intention to terminate any Plan or Plans or to appoint a trustee to administer any Plan; (f) the incurrence by the Borrower or any of its ERISA Affiliates of any liability with respect to the withdrawal or partial withdrawal from any Plan or Multiemployer Plan; or (g) the receipt by the Borrower or any ERISA Affiliate of any notice, or the receipt by any Multiemployer Plan from the Borrower or any ERISA Affiliate of any notice, concerning the imposition of Withdrawal Liability or a determination that a Multiemployer Plan is, or is expected to be, insolvent or in reorganization, within the meaning of Title IV of ERISA.

"Event of Default" has the meaning assigned to such term in Article VIII.

"Excess Cash Flow" means, without duplication, with respect to any Measuring Period, Consolidated EBITDA for such Measuring Period, *minus* (a) taxes paid in cash (net of refunds) with respect to such Measuring Period, (b) consolidated Capital Expenditures up to the limit provided in Section 7.05(b) made in such Measuring Period that are not financed with the Loans or other Indebtedness, (c) scheduled and any other required principal payments on Indebtedness paid during such Measuring Period, (d) cash consolidated interest expense paid by the Borrower during such Measuring Period, (e) reasonable and necessary increases in net working capital during such Measuring Period and (f) actual cash pension plan payments made by the Borrower during such Measuring Period that are not financed with proceeds of Tranche D Loans or Preferred Stock issued under the Hillside-Ampex/Sherborne Agreement; *plus* (x) decreases in net working capital during such Measuring Period and (y) pension plan expenses as deducted from revenues in determining Consolidated Net Income for such Measuring Period.

"Excess Cash on Hand" means, as of any Measuring Date, the aggregate amount of cash and cash equivalents held by the members of the Ampex Group and any Foreign Subsidiary (whether or not incorporated) under Common Control with the Borrower as of such Measuring Date in excess of the Excess Cash on Hand Threshold, provided, that for the purposes of determining the amount of any cash and cash equivalents held by any Foreign Subsidiary, any amounts required to be paid during the Measuring Period ended on such Measuring Date by such Foreign Subsidiary for the purposes of (i) making any pension plan contributions required in the jurisdiction of incorporation of the Foreign Subsidiary, (ii) meeting the reasonable costs (if any) associated with the repatriation of any cash or cash equivalents to any member of the Ampex Group; and (iii) funding the ordinary and necessary business needs of such Foreign Subsidiary, shall not be included.

"Excess Cash on Hand Threshold" means, as of any Measuring Date, $4,000,000 plus a reserve for the aggregate amount of expected pension payments by the Borrower due within six (6) months of such Measuring Date.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations of the Securities and Exchange Commission promulgated thereunder.

"Excluded Subsidiary" means each of the Subsidiaries of the Borrower listed in Schedule 3(C) hereto.

"Excluded Taxes" means, with respect to the Lender or any other recipient of any payment to be made by or on account of any obligation of the Borrower hereunder, (a) taxes imposed on or measured by its overall net income (however denominated), and franchise taxes imposed on it (in lieu of net income taxes), by the jurisdiction (or any political subdivision thereof) under the laws of which such recipient is organized or in which its principal office is located or, in the case of the Lender, in which its applicable lending office is located and (b) any branch profits taxes imposed by the United States of America or any similar tax imposed by any other jurisdiction in which the Borrower is located and (c) any U.S. federal withholding Tax or U.S. federal backup withholding Tax that is imposed on amounts payable to the Lender at the time the Lender becomes a party hereto (or designates a new lending office) except to the extent that the Lender (or its assignor, if any) was entitled at the time of designation of a new lending office (or assignment) or receive additional amounts from the Borrower with respect to such withholding Tax.

"Final Maturity Date" means the last date on which any amount of principal of any Loan is due under this Agreement.

"Financial Officer" means the chief financial officer, principal accounting officer, treasurer or controller of the Borrower.

"Foreign Subsidiary" means any Subsidiary organized under the laws of any jurisdiction other than the United States of America or a State thereof which, if such Subsidiary were to become a Subsidiary Guarantor hereunder, the Borrower and the Lender have determined would result in adverse tax consequences to any Obligor under Section 956 of the Code.

"Fund" means any Person (other than a natural person) that is or will be engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its business.

"GAAP" means generally accepted accounting principles in the United States of America, applied on a consistent basis.

"Governmental Authority" means the government of the United States of America or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

"Governmental Authorization" means any permit, license, authorization, plan, directive, consent order or consent decree of or from any Governmental Authority.

"Guarantee" of or by any Person (the "guarantor") means any obligation, contingent or otherwise, of the guarantor guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation of any other Person (the "primary obligor") in any manner, whether directly or indirectly, and including any obligation of the guarantor, direct or indirect, (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation or to purchase (or to advance or supply funds for the purchase of) any security for the payment thereof, (b) to purchase or lease property, securities or services for the purpose of assuring the owner of such Indebtedness or other obligation of the payment thereof, (c) to maintain working capital, equity capital or any other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation or (d) as an account party in respect of any letter of credit or letter of guaranty issued to support such Indebtedness or obligation; provided, that the term Guarantee shall not include endorsements for collection or deposit in the ordinary course of business.

"Guarantee Assumption Agreement" means a Guarantee Assumption Agreement substantially in the form of Exhibit C by an entity that, pursuant to Section 6.09(a) is required to become a "Subsidiary Guarantor" hereunder in favor of the Lender.

"Hazardous Materials" means all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes and all other substances or wastes of any nature regulated pursuant to any Environmental Law.

"Hedging Agreement" means any agreement with respect to any swap, forward, future or derivative transaction or option or similar agreement involving, or settled by reference to, one or more rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions.

"Hillside" means Hillside Capital Incorporated, a Delaware corporation.

"Hillside-Ampex/Sherborne Agreement" means the amended and restated agreement dated October 3, 2008, among (i) Ampex Corporation and each other member of the Ampex Group (as therein defined), (ii) Hillside and each other member of the Limited Hillside Group (as therein defined), and (iii) Sherborne Holdings Incorporated and each other member of the Sherborne Group (as therein defined).

"Hillside Group" has the meaning assigned to such term in the Hillside-Ampex/Sherborne Agreement.

"Indebtedness" of any Person means, without duplication, (a) all obligations of such Person for borrowed money or with respect to deposits or advances of any kind, (b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments, (c) all obligations of such Person upon which interest charges are customarily paid, (d) all obligations of such Person under conditional sale or other title retention agreements relating to property acquired by such Person, (e) all obligations of such Person in respect of the deferred purchase price of property or services (excluding current accounts payable incurred in the ordinary course of business), (f) all Indebtedness of others secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien on property owned or acquired by such Person, whether or not the Indebtedness secured thereby has been assumed, (g) all Guarantees by such Person of Indebtedness of others, (h) all Capital Lease Obligations of such Person, (i) all obligations, contingent or otherwise, of such Person as an account party in respect of letters of credit and letters of guaranty and (j) all obligations, contingent or otherwise, of such Person in respect of bankers' acceptances. The Indebtedness of any Person shall include the Indebtedness of any other entity (including any partnership in which such Person is a general partner) to the extent such Person is liable therefor as a result of such Person' s ownership interest in or other relationship with such entity, except to the extent the terms of such Indebtedness provide that such Person is not liable therefor.

"Indemnified Taxes" means Taxes other than Excluded Taxes.

"Intercreditor Agreement" means an Intercreditor Agreement substantially in the form of Exhibit B among the Borrower, the Subsidiary Guarantors, the Lender, the Senior Note Trustee and the Collateral Agent, as the same shall be modified and supplemented and in effect from time to time.

"Investment" means, for any Person: (a) the acquisition (whether for cash, property, services or securities or otherwise) of capital stock, bonds, notes, debentures, partnership or other ownership interests or other securities of any other Person or any agreement to make any such acquisition (including any "short sale" or any sale of any securities at a time when such securities are not owned by the Person entering into such sale); (b) the making of any deposit with, or advance, loan or other extension of credit to, any other Person (including the purchase of property from another Person subject to an understanding or agreement, contingent or otherwise, to resell such property to such Person), but excluding any such advance, loan or extension of credit having a term not exceeding 90 days arising in connection with the sale of inventory or supplies by such Person in the ordinary course of business; (c) the entering into of any Guarantee of, or other contingent obligation with respect to, Indebtedness or other liability of any other Person and (without duplication) any amount committed to be advanced, lent or extended to such Person; or (d) the entering into of any Hedging Agreement. For avoidance of doubt, the making of any Capital Expenditure shall not be considered to be an Investment.

"Lender" means Hillside.

"Lien" means, with respect to any asset, (a) any mortgage, deed of trust, lien, pledge, hypothecation, encumbrance, charge or security interest in, on or of such asset, (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to such asset and (c) in the case of securities, any purchase option, call or similar right of a third party with respect to such securities.

"Loan Documents" means, collectively, this Agreement, the Security Documents and the Intercreditor Agreement.

"Loans" means the loans made or deemed made by the Lender to the Borrower pursuant to this Agreement.

"Management Equity Rights Plan" means the management incentive equity rights plan of the Borrower, as contemplated by the Plan of Reorganization.

"Margin Stock" means "margin stock" within the meaning of Regulations T, U and X of the Board.

"Material Adverse Effect" means a material adverse effect on (a) the business, assets, operations, prospects or condition, financial or otherwise, of the Borrower and its Subsidiaries taken as a whole, (b) the ability of the Borrower or any Obligor to perform any of its obligations under this Agreement or any of the other Transaction Documents to which it is a party or (c) the rights of or benefits available to the Lender under this Agreement or any of the other Loan Documents, provided, however, it is acknowledged and agree that for so long as the Borrower and the Subsidiary Guarantors are contesting the Unresolved Governmental Claims in good faith using best efforts, the existence of the Unresolved Governmental Claims and proceedings related thereto shall not be deemed to create such material adverse effect. It is hereto further acknowledged and agreed that if the Borrower or any Subsidiary Guarantor is not, at all times, contesting the Unresolved Governmental Claims in good faith using best efforts, the proviso in the preceding sentence shall not constitute a waiver of any Default or Event of Default that may arise from (i) failure to pay any Taxes that are the subject of the Unresolved Governmental Claims when due, or (ii) the filing of a Lien for non-payment of such Taxes, in either case, in violation of this Agreement. Notwithstanding the foregoing, so long as the Senior Notes are outstanding, the Borrower and its Subsidiaries shall in no event pay more than $700,000 in the aggregate in respect of the Unresolved Governmental Claims.

"Material Indebtedness" means Indebtedness (other than the Loans), or obligations in respect of one or more Hedging Agreements, of any one or more of the Borrower and its Subsidiaries in an aggregate principal amount exceeding $100,000. For purposes of determining Material Indebtedness, the "principal amount" of the obligations of any Person in respect of any Hedging Agreement at any time shall be the maximum aggregate amount (giving effect to any netting agreements) that such Person would be required to pay if such Hedging Agreement were terminated at such time.

"Measuring Date" means the last day of a Measuring Period.

"Measuring Period" means each fiscal year of the Borrower (ending December 31 of each calendar year), provided that the initial Measuring Period shall begin on the date of this Agreement and end on December 31, 2008.

"Multiemployer Plan" means a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

"Net Available Proceeds" means:

(a) in the case of any Disposition, the aggregate amount of all cash payments, and the fair market value of any non-cash consideration, received by the Borrower and its Subsidiaries directly or indirectly in connection with such Disposition; provided that (i) Net Available Proceeds shall be net of (x) the amount of any legal, title and recording tax expenses, commissions and other fees and expenses paid by the Borrower and its Subsidiaries in connection with such Disposition and (y) any Federal, state and local income or other taxes estimated to be payable by the Borrower and its Subsidiaries as a result of such Disposition (but only to the extent that such estimated taxes are in fact paid to the relevant Federal, state or local governmental authority within three months of the date of such Disposition) and (ii) Net Available Proceeds shall be net of any repayments by the Borrower or any of its Subsidiaries of Indebtedness to the extent that (x) such Indebtedness is secured by a Lien on the property that is the subject of such Disposition and (y) the transferee of (or holder of a Lien on) such property requires that such Indebtedness be repaid as a condition to the purchase of such property;

(b) in the case of any Casualty Event, the aggregate amount of proceeds of insurance, condemnation awards and other compensation received by the Borrower and its Subsidiaries in respect of such Casualty Event net of (i) reasonable expenses incurred by the Borrower and its Subsidiaries in connection therewith and (ii) contractually required repayments of Indebtedness to the extent secured by a Lien on such property and any income and transfer taxes payable by the Borrower or any of its Subsidiaries in respect of such Casualty Event;

(c) in the case of any Equity Issuance, the aggregate amount of all cash received by the Borrower and its Subsidiaries in respect of such Equity Issuance net of reasonable expenses incurred by the Borrower and its Subsidiaries in connection therewith; and

(d) in the case of any Debt Incurrence, the aggregate amount of all cash received by the Borrower and its Subsidiaries in respect of such Debt Incurrence net of reasonable expenses incurred by the Borrower and its Subsidiaries in connection therewith.

"Obligors" means the Borrower and all Subsidiary Guarantors.

"Other Taxes" means any and all present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies arising from any payment made hereunder or under any other Loan Document or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement or any other Loan Document.

"Participant" means any Person to whom a participation is sold as permitted by clause (c) of Section 9.04.

"PBGC" means the Pension Benefit Guaranty Corporation referred to and defined in ERISA and any successor entity performing similar functions.

"Permitted Encumbrances" means:

(a) Liens imposed by law for Taxes that are not yet due or are being contested in compliance with Section 6.04;

(b) carriers' , warehousemen' s, mechanics' , materialmen' s, repairmen' s and other like Liens imposed by law, arising in the ordinary course of business and securing obligations that are not overdue by more than 30 days or are being contested in compliance with Section 6.04;

(c) pledges and deposits made in the ordinary course of business in compliance with workers' compensation, unemployment insurance and other social security laws or regulations;

(d) deposits to secure the performance of bids, trade contracts, leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature, in each case in the ordinary course of business;

(e) judgment liens in respect of judgments that do not constitute an Event of Default under clause (k) of Article VIII; and

(f) easements, zoning restrictions, rights-of-way and similar encumbrances on real property imposed by law or arising in the ordinary course of business that do not secure any monetary obligations and do not materially detract from the value of the affected property or interfere with the ordinary conduct of business of the Borrower or any Subsidiary;

provided that the term "Permitted Encumbrances" shall not include any Lien securing Indebtedness.

"Permitted Investments" means:

(a) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America (or by any agency thereof to the extent such obligations are backed by the full faith and credit of the United States of America), in each case maturing within one year from the date of acquisition thereof;

(b) investments in commercial paper maturing within 270 days from the date of acquisition thereof and having, at such date of acquisition, the highest credit rating obtainable from Standard & Poor' s Ratings Services ("S&P") or from Moody' s Investors Services, Inc. ("Moody' s");

(c) investments in certificates of deposit, banker' s acceptances and time deposits maturing within 180 days from the date of acquisition thereof issued or guaranteed by or placed with, and money market deposit accounts issued or offered by, any domestic office of any commercial bank organized under the laws of the United States of America or any State thereof which has a combined capital and surplus and undivided profits of not less than $500,000,000;

(d) fully collateralized repurchase agreements with a term of not more than 30 days for securities described in clause (a) of this definition and entered into with a financial institution satisfying the criteria described in clause (c) of this definition; and

(e) money market funds that (i) comply with the criteria set forth in Securities and Exchange Commission Rule 2a-7 under the Investment Company Act of 1940, (ii) are rated "AAA" by S&P and "Aaa" by Moody' s and (iii) have portfolio assets of at least $5,000,000,000.

"Person" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

"Plan" means any employee pension benefit plan (other than a Multiemployer Plan) subject to the provisions of Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA, and in respect of which the Borrower or any ERISA Affiliate is (or, if such plan were terminated, would under Section 4069 of ERISA be deemed to be) an "employer" as defined in Section 3(5) of ERISA.

"Plan of Reorganization" has the meaning assigned to such term in the recitals hereto.

"Prepetition Debt Obligations" means (i) the Borrower' s 12% Senior Secured Notes due 2008 and (ii) the "Notes" under (and as defined in) the Hillside-Ampex/Sherborne Agreement outstanding as of the Closing Date.

"Quarterly Dates" means the last day of March, June, September and December in each year, commencing with December 31, 2008.

"Related Parties" means, with respect to any Person, such Person' s Affiliates and the partners, directors, officers, employees, agents and advisors of such Person and of such Person' s Affiliates.

"Required Contribution" has the meaning assigned to such term in the Hillside-Ampex/Sherborne Agreement.

"Restricted Payment" means any dividend or other distribution (whether in cash, securities or other property) with respect to any Equity Interests of the Borrower or any of its Subsidiaries, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any such shares of capital stock of the Borrower or any of its Subsidiaries or any option, warrant or other right to acquire any such shares of capital stock of the Borrower or any of its Subsidiaries.

"Secured Parties" means the Lender, each holder of a Senior Note, the Senior Note Trustee and the Collateral Agent.

"Security Agreement means a Security Agreement substantially in the form of Exhibit A among the Borrower, the Subsidiary Guarantors and the Collateral Agent, as the same shall be modified and supplemented and in effect from time to time.

"Security Documents" means, collectively, the Security Agreement and all Uniform Commercial Code financing statements required by the Security Agreement to be filed with respect to the security interests in personal property and fixtures created pursuant to the Security Agreement.

"Senior Note Indenture" means the Indenture dated as of October 3, 2008 among the Borrower, the Subsidiary Guarantors and the Senior Note Trustee, as the same shall be modified and supplemented and in effect from time to time.

"Senior Note Trustee" means U.S. Bank National Association, as trustee under the Senior Note Indenture, together with its successors and assigns in such capacity.

"Senior Notes" means the Borrower' s 12% Senior Secured Notes due 2009 issued on the Closing Date under the Senior Note Indenture in an aggregate principal amount of $3,658,080.

"Subsidiary" means, with respect to any Person (the "parent") at any date, any corporation, limited liability company, partnership, association or other entity the accounts of which would be consolidated with those of the parent in the parent' s consolidated financial statements if such financial statements were prepared in accordance with GAAP as of such date, as well as any other corporation, limited liability company, partnership, association or other entity (a) of which securities or other ownership interests representing more than 50% of the equity or more than 50% of the ordinary voting power or, in the case of a partnership, more than 50% of the general partnership interests are, as of such date, owned, controlled or held, or (b) that is, as of such date, otherwise Controlled, by the parent or one or more subsidiaries of the parent or by the parent and one or more subsidiaries of the parent. Unless otherwise specified, "Subsidiary" means a Subsidiary of the Borrower.

"Subsidiary Guarantor" means each of the Subsidiaries of the Borrower identified under the caption "SUBSIDIARY GUARANTORS" on the signature pages hereto and each Subsidiary of the Borrower that becomes a "Subsidiary Guarantor" after the date hereof pursuant to Section 6.09(a).

"Taxes" means all present or future taxes, levies, imposts, duties, deductions, withholdings, assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"Termination Liability" has the meaning assigned to such term in the Hillside-Ampex/Sherborne Agreement.

"Tranche A Loan" means the Loan deemed made pursuant to Section 2.01(a) (and corresponding to the "Hillside Secured Claim" in the Plan of Reorganization).

"Tranche B Commitment" means the commitment of the Lender to make the Tranche B Loan hereunder on the Closing Date, expressed as an amount representing the maximum aggregate principal amount of the Tranche B Loan to be made by the Lender hereunder. The amount of the Tranche B Commitment is $4,000,000.

"Tranche B Loan" means the Loan made pursuant to Section 2.01(b).

"Tranche C Availability Period" means the period from and including the Closing Date to but excluding the earlier of the Tranche C Commitment Termination Date and the date of termination of the Tranche C Commitment.

"Tranche C Commitment" means the commitment of the Lender to make Tranche C Loans hereunder, expressed as an amount representing the maximum aggregate amount of the Lender' s Tranche C Exposure hereunder. The initial maximum amount of the Tranche C Commitment is $1,000,000.

"Tranche C Commitment Termination Date" means the Quarterly Date falling on or nearest to June 30, 2010.

"Tranche C Exposure" means, at any time, the aggregate outstanding principal amount of the Tranche C Loans at such time.

"Tranche C Loan" means a Loan made pursuant to Section 2.01(c).

"Tranche D Loan" means a Loan deemed to be made pursuant to Section 2.01(d) upon the making of any Required Contribution or payment of any Termination Liability.

"Transaction Documents" means, collectively, the Loan Documents, the Senior Note Indenture, the Plan of Reorganization and the Hillside-Ampex/Sherborne Agreement.

"Transactions" means the execution, delivery and performance by each Obligor of this Agreement and the other Transaction Documents to which such Obligor is intended to be a party, the borrowing of Loans and the use of the proceeds thereof.

"Unresolved Governmental Claims" means collectively, the California Tax Claims and that certain proof of claim number 593 filed on September 26, 2008 by the U.S. Customs and Border Protection in an unliquidated amount.

"Voting Stock" means stock of the class or classes pursuant to which the holders thereof have the general voting power under ordinary circumstances to elect at least a majority of the board of directors, managers or trustees of a corporation (irrespective of whether or not at the time stock of any other class or classes shall have or might have voting power by reason of the happening of any contingency).

"Wholly-Owned Subsidiary" means, with respect to any Person, any corporation, limited liability company, partnership, association or other entity of which all of the equity securities or other ownership interests (other than, in the case of a corporation, directors' qualifying shares) are directly or indirectly owned or controlled by such Person or one or more Wholly-Owned Subsidiaries of such Person or by such Person and one or more Subsidiaries of such Person.

"Withdrawal Liability" means liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part I of Subtitle E of Title IV of ERISA.

SECTION 1.02 Terms Generally. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". The word "will" shall be construed to have the same meaning and effect as the word "shall". Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person' s successors and assigns, (c) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement, (e) any reference to any law or regulation herein shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time and (f) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

SECTION 1.03 Accounting Terms; GAAP. Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP as in effect from time to time; provided that, if the Borrower notifies the Lender that the Borrower requests an amendment to any provision hereof to eliminate the effect of any change occurring after the date hereof in GAAP or in the application thereof on the operation of such provision (or if the Lender notifies the Borrower that the Lender requests an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith.

SECTION 1.04 Changes in Fiscal Year. To enable the ready and consistent determination of compliance with the covenants set forth herein, the Borrower will not change the last day of its fiscal year from December 31, or the last days of the first three fiscal quarters in each of its fiscal years from March 31, June 30 and September 30, respectively.

ARTICLE II

THE CREDITS

SECTION 2.01 The Loans.

(a) Tranche A Loan. The Lender shall be deemed to have made, on the Closing Date, a Tranche A Loan to the Borrower in a principal amount equal to $10,500,000. Amounts prepaid or repaid in respect of the Tranche A Loan may not be reborrowed.

(b) Tranche B Loan. Subject to the terms and conditions set forth herein, the Lender agrees to make a Tranche B Loan to the Borrower on the Closing Date in a principal amount not exceeding its Tranche B Commitment. Amounts prepaid or repaid in respect of the Tranche B Loan may not be reborrowed.

(c) Tranche C Loan. Subject to the terms and conditions set forth herein, the Lender agrees to make Tranche C Loans to the Borrower from time to time during the Tranche C Availability Period in an aggregate principal amount that will not result in the Tranche C Exposure exceeding the Tranche C Commitment. Within the foregoing limits and subject to the terms and conditions set forth herein, the Borrower may borrow, prepay and reborrow the Tranche C Loans.

(d) Tranche D Loan. If any member of the Hillside Group makes a Required Contribution or incurs any Termination Liability as specified in Section 2.3 of the Hillside-Ampex/Sherborne Agreement, then the Lender shall be deemed to have made, on the date of such Required Contribution or incurrence of Termination Liability, a Tranche D Loan to the Borrower in a principal amount equal to the amount of such Required Contribution or Termination Liability, as applicable. Amounts prepaid or repaid in respect of the Tranche D Loans may not be re-borrowed. Nothing in this Agreement shall be deemed to impose any obligation on the Lender to make any Tranche D Loan to the Borrower. The aggregate principal amount of all Tranche D Loans shall not exceed the positive difference, if any, between $25,000,000 and the aggregate principal amount of all Tranche A Loans, Tranche B Loans and Tranche C Loans outstanding under this Agreement.

SECTION 2.02 Minimum Amounts of Tranche C Loans. At the time that each Tranche C Loan is made, such Loan shall be in an amount equal to $100,000 or a larger multiple of $100,000; provided that such Tranche C Loan may be in an amount that is equal to the entire unused balance of the Tranche C Commitment.

SECTION 2.03 Requests for Tranche C Loans.

(a) Notice by the Borrower. To request a Tranche C Loan, the Borrower shall notify the Lender of such request by telephone not later than 1:00 p.m., New York City time, seven Business Days before the date of the proposed Tranche C Loan. Each such telephonic Borrowing Request shall be irrevocable and shall be confirmed promptly by hand delivery or telecopy to the Lender of a written Borrowing Request in a form approved by the Lender and signed by the Borrower.

(b) Content of Borrowing Requests. Each such telephonic and written Borrowing Request shall specify the following information in compliance with Section 2.02:

(i) the amount of the requested Loan;

(ii) the date of such Loan, which shall be a Business Day; and

(iii) the location and number of the Borrower' s account to which funds are to be disbursed, which shall comply with the requirements of Section 2.04.

SECTION 2.04 Funding of Loans. The Lender will make the Tranche B Loan and the Tranche C Loans available to the Borrower by crediting the amount of such Loan, in immediately available funds by 5:00 p.m., New York City time, to an account of the Borrower maintained with the Lender in New York City and designated by the Borrower in the applicable Borrowing Request.

SECTION 2.05 Termination of the Commitments. Unless previously terminated, (i) the Tranche B Commitment shall terminate at 5:00 p.m., New York City time on the Closing Date, and (ii) the Tranche C Commitment shall terminate at 5:00 p.m., New York City time on the Tranche C Commitment Termination Date. Any termination of the Commitment of any Class shall be permanent.

SECTION 2.06 Repayment of Loans; Evidence of Debt.

(a) Repayment. The Borrower hereby unconditionally promises to pay the Loans to the Lender as follows:

(i) the outstanding principal amount of the Tranche A Loan on each Quarterly Date set forth below in the aggregate principal amount set forth opposite such Quarterly Date (subject to adjustment pursuant to paragraph (b) of this Section):

Quarterly Date:	**Amount ($):**
September 30, 2010	2,100,000
September 30, 2011	2,100,000
September 30, 2012	2,100,000
September 30, 2013	2,100,000
September 30, 2014	2,100,000

(ii) the outstanding principal amount of the Tranche B Loan on each Quarterly Date set forth below in the aggregate principal amount set forth opposite such Quarterly Date (subject to adjustment pursuant to paragraph (b) of this Section):

Quarterly Date:	Amount ($):
September 30, 2010	800,000
September 30, 2011	800,000
September 30, 2012	800,000
September 30, 2013	800,000
September 30, 2014	800,000

(iii) the outstanding principal amount of the Tranche C Loan on the Tranche C Commitment Termination Date; and

(iv) the outstanding principal amount of each Tranche D Loan in five annual installments, each equal to 20% of the initial outstanding amount of such Tranche D Loan, commencing on the Quarterly Date immediately following the date that is the second anniversary of the date on which such Tranche D Loan is deemed made and continuing on the four corresponding annual Quarterly Dates thereafter.

All payments made pursuant to this Section 2.06(a) shall be made in accordance with the Intercreditor Agreement, including Section 4.2 thereof and shall be subject to the provisions of Section 5.13 of the Senior Note Indenture.

(b) Adjustment of Amortization Schedules. Any prepayment of the Tranche A Loan, Tranche B Loan or Tranche D Loan shall be applied to reduce the subsequent scheduled repayments of the Loan of such Class to be made pursuant to the foregoing clause (a)(i), (ii) or (iv) (as applicable) in the direct order of maturity.

(c) Maintenance of Records by the Lender. The Lender shall maintain in accordance with its usual practice records evidencing the indebtedness of the Borrower to the Lender resulting from each Loan in which it shall record (i) the amount of each Loan made hereunder, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrower hereunder and (iii) the amount of any sum received by the Lender hereunder.

(d) Effect of Entries. The entries made in the records maintained pursuant to paragraph (c) of this Section shall be prima facie evidence of the existence and amounts of the obligations recorded therein; provided that the failure of the Lender to maintain such records or any error therein shall not in any manner affect the obligation of the Borrower to repay the Loans in accordance with the terms of this Agreement.

(e) Promissory Notes. The Lender may request that Loans of any Class be evidenced by a promissory note. In such event, the Borrower shall prepare, execute and deliver to the Lender a promissory note payable to the Lender and in a form approved by the Lender. Thereafter, the Loans evidenced by such promissory note and interest thereon shall at all times (including after assignment pursuant to Section 9.04) be represented by one or more promissory notes in such form payable to the payee named therein (or, if such promissory note is a registered note, to such payee and its registered assigns).

SECTION 2.07 Prepayment of Loans.

(a) Optional Prepayments. The Borrower shall have the right at any time and from time to time to prepay any Loan in whole or in part, without penalty or premium, subject to the requirements of the Intercreditor Agreement and this Section. Any prepayment of the Tranche A Loan, Tranche B Loan or Tranche D Loan pursuant to this paragraph shall be applied to any remaining scheduled principal installments thereof in the direct order of maturity. All payments made pursuant to this Section 2.07(a) shall be made in accordance with the Intercreditor Agreement, including Section 4.2 thereof, and shall be subject to the provisions of Section 5.13 of the Senior Note Indenture.

(b) Mandatory Prepayments. The Borrower will prepay the Loans as follows:

(i) Casualty Events. Upon the date twenty Business Days following the receipt by the Borrower of the proceeds of insurance, condemnation award or other compensation in respect of any Casualty Event affecting any property of the Borrower or any of its Subsidiaries, the Borrower shall prepay the Senior Notes and the Loans in an aggregate amount, if any, equal to 100% of the Net Available Proceeds of such Casualty Event, such prepayment to be effected in each case in the manner and to the extent specified in Section 4.1 of the Intercreditor Agreement and clause (vi) below. Nothing in this paragraph (but subject to the following two sentences) shall be deemed to limit any obligation of the Borrower or any of its Subsidiaries pursuant to any of the Security Documents to remit to a collateral or similar account maintained by any Secured Party pursuant to any of the Security Documents the proceeds of insurance, condemnation award or other compensation received in respect of any Casualty Event. Notwithstanding the foregoing, the Borrower may use Net Available Proceeds of any Casualty Event to repair or replace any property destroyed or damaged by such Casualty Event (and to pay related costs and expenses), provided that (x) the Borrower determines that the repair or replacement of such property is in the best interest of the Borrower, (y) the Borrower notifies the Lender, within ten Business Days of the occurrence of such Casualty Event, of the Borrower' s intention to do so and commences such repair or replacement within ten days after the giving of such notice and (z) the cost of such repair or replacement will not exceed such Net Available Proceeds by more than 10%. Any such Net Available Proceeds not used for the repair or replacement of such property shall be promptly applied to the prepayment of the Senior Notes and the Loans as provided above.

(ii) Equity Issuance. Upon the date five Business Days following any Equity Issuance, the Borrower shall prepay the Senior Notes and the Loans in an aggregate amount equal to 100% of the Net Available Proceeds thereof, such prepayment to be effected in each case in the manner and to the extent specified in Section 4.1 of the Intercreditor Agreement and clause (vi) below.

(iii) Excess Cash Flow. Not later than the March 31 Quarterly Date after the end of each Measuring Period, the Borrower shall prepay the Senior Notes and the Loans in an aggregate amount equal to the greater of (a) 100% of Excess Cash Flow for such Measuring Period and (b) 100% of Excess Cash on Hand as of the related Measuring Date, such prepayment to be effected in each case in the manner and to the extent specified in Section 4.1 of the Intercreditor Agreement and clause (vi) below.

(iv) Dispositions. Without limiting the obligation of the Borrower to obtain the consent of the Lender pursuant to Section 7.03 to any Disposition not otherwise permitted hereunder, in the event that the Net Available Proceeds of any Disposition (herein, the "Current Disposition"), and of all prior Dispositions as to which a prepayment has not yet been made under this paragraph, shall exceed $100,000 then, no later than two Business Days following the occurrence of the Current Disposition, the Borrower will deliver to the Lender and the Collateral Agent a statement, certified by a Financial Officer of the Borrower, in form and detail satisfactory to the Lender and the Collateral Agent, of the amount of the Net Available Proceeds of the Current Disposition and of all such prior Dispositions and will, on the date five Business Days following the Current Disposition, prepay the Senior Notes and the Loans in an aggregate amount equal to 100% of the Net Available Proceeds of the Current Disposition and such prior Dispositions, such prepayment to be effected in each case in the manner and to the extent specified in Section 4.1 of the Intercreditor Agreement and clause (vi) below.

(v) Debt Incurrence. Upon the date five Business Days following any Debt Incurrence, the Borrower shall prepay the Senior Notes and the Loans in an aggregate amount equal to 100% of the Net Available Proceeds thereof, such prepayment to be effected in each case in the manner and to the extent specified in Section 4.1 of the Intercreditor Agreement and clause (vi) below.

(vi) Application. Subject to Section 8.02, and to Section 4.1 of the Intercreditor Agreement, any prepayment of the Loans pursuant to this Section 2.07(b) shall be applied as follows:

first, to the ratable payment of the outstanding principal of the Tranche C Loans,

second, to the payment of the outstanding principal of the Tranche B Loan,

third, to the payment of the outstanding principal of the Tranche A Loan, and

fourth, to the ratable payment of the outstanding principal of the Tranche D Loans (provided that, to the extent that at the time of such payment there are Tranche D Loans outstanding with different Final Maturity Dates, such principal shall be applied first to repay the Tranche D Loans with the latest Final Maturity Dates).

All payments made pursuant to this Section 2.07(b) shall be made in accordance with the Intercreditor Agreement, including Section 4.2 thereof, and shall be subject to the provisions of Section 5.13 of the Senior Note Indenture; provided that all such payments of principal shall be made in accordance with Section 2.06(b).

(c) Notices, Etc. The Borrower shall notify the Lender and the Collateral Agent by telephone (confirmed by telecopy) of any prepayment hereunder not later than 11:00 a.m., New York City time, one Business Day before the date of prepayment. Each such notice shall be irrevocable and shall specify the prepayment date, the principal amount of the Senior Notes or each Loan or portion thereof to be prepaid, any other information required to be in such notice pursuant to Section 2.06(c) and, in the case of a mandatory prepayment, a reasonably detailed calculation of the amount of such prepayment. Each partial prepayment of any Loan shall be in an amount that would be permitted in the case of a Loan as provided in Section 2.02, except as necessary to apply fully the required amount of a mandatory prepayment. Prepayments shall be accompanied by accrued interest to the extent required by Section 2.08.

SECTION 2.08 Interest.

(a) Loans. Each Loan shall bear interest at a rate per annum equal to the Applicable Rate.

(b) Default Interest. Notwithstanding the foregoing, if any principal of or interest on any Loan or any fee or other amount payable by the Borrower hereunder is not paid when due, whether at stated maturity, upon acceleration, by mandatory prepayment or otherwise, such overdue amount shall bear interest, after as well as before judgment, at a rate per annum equal to 4% plus the rate applicable to Loans as provided in paragraph (a) of this Section.

(c) Payment of Interest. Accrued interest on each Loan shall be payable in arrears on each Quarterly Date and, in the case of the Tranche C Loans, upon termination of the Tranche C Commitment; provided that interest accrued pursuant to paragraph (b) of this Section shall be payable on demand. All payments made pursuant to this Section 2.8(c) shall be made in accordance with the Intercreditor Agreement, including Section 4.2 thereof, and shall be subject to the provisions of Section 5.13 of the Senior Note Indenture.

(d) Computation. All interest hereunder shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

SECTION 2.09 Taxes.

(a) Payments Free of Taxes. Any and all payments by or on account of any obligation of the Borrower hereunder or under any other Loan Document shall be made free and clear of and without reduction or withholding for any Indemnified Taxes or Other Taxes, provided that if the Borrower shall be required by applicable law to deduct any Indemnified Taxes (including any Other Taxes) from such payments, then (i) the sum payable shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section) the Lender receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Borrower shall make such deductions and (iii) the Borrower shall timely pay the full amount deducted to the relevant Governmental Authority in accordance with applicable law.

(b) Payment of Other Taxes by the Borrower. Without limiting the provisions of paragraph (a) above, the Borrower shall timely pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law.

(c) Indemnification by the Borrower. The Borrower shall indemnify the Lender, within 10 days after demand therefor, for the full amount of any Indemnified Taxes or Other Taxes (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section) paid by the Lender and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by the Lender shall be conclusive absent manifest error.

(d) Evidence of Payments. As soon as practicable after any payment of Indemnified Taxes or Other Taxes by the Borrower to a Governmental Authority, the Borrower shall deliver to the Lender the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Lender.

(e) Treatment of Certain Refunds. If the Lender determines, in its sole discretion, that it has received a refund of any Taxes or Other Taxes as to which it has been indemnified by the Borrower or with respect to which the Borrower has paid additional amounts pursuant to this Section, it shall pay to the Borrower an amount equal to such refund (but only to the extent of indemnity payments made, or additional amounts paid, by the Borrower under this Section with respect to the Taxes or Other Taxes giving rise to such refund), net of all out-of-pocket expenses of the Lender and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund), provided that the Borrower, upon the request of the Lender, agrees to repay the amount paid over to the Borrower (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Lender in the event the Lender is required to repay such refund to such Governmental Authority. This paragraph shall not be construed to require the Lender to make available its tax returns (or any other information relating to its taxes that it deems confidential) to the Borrower or any other Person.

(f) Tax Forms – Non U.S. Lenders. Each Lender that is not (i) a citizen or resident of the United States of America, (ii) a corporation, partnership or other entity created or organized in or under the laws of the United States of America (or any jurisdiction thereof), or (iii) an estate or trust that is subject to federal income taxation regardless of the source of its income (any such Person, a "Non U.S. Lender") shall deliver to Borrower two copies of either U.S. Internal Revenue Service Form W-8BEN or Form W-8ECI, or, in the case of a Non U.S. Lender claiming exemption from U.S. federal withholding tax under Section 871(h) or 881(c) of the Code with respect to payments of "portfolio interest", a statement with respect to such interest and a Form W-8BEN, or any subsequent versions thereof or successors thereto, properly

completed and duly executed by such Non U.S. Lender claiming complete exemption from, or a reduced rate of, U.S. federal withholding tax on, all payments by Borrower under this Agreement. Such forms shall be delivered by each Non U.S. Lender on or before the date it becomes a party to this Agreement. In addition, each Non U.S. Lender shall deliver such forms or appropriate replacements promptly upon the obsolescence or invalidity of any form previously delivered by such Non U.S. Lender. Each Non U.S. Lender shall promptly notify Borrower at any time it determines that such Lender is no longer in a position to provide any previously delivered certificate to Borrower (or any other form of certification adopted by the U.S. taxing authorities for such purpose). Notwithstanding any other provision of this subsection (f), a Non U.S. Lender shall not be required to deliver any form pursuant to this subsection (f) that such Non U.S. Lender is not legally able to deliver.

(g) Tax Forms − U.S. Lenders. Each Lender that (i) is a "U.S. Person" as defined in Section 7701(a)(30) of the Code and (ii) whose name does not include "Incorporated," "Inc.," "Corporation," "Corp.," "P.C.," "insurance company," or "assurance company" shall deliver to the Borrower two properly completed and duly executed copies of U.S. Internal Revenue Service Form W-9. Such forms shall be delivered by each such Lender on or before the date it becomes a party to this Agreement. In addition, each such Lender shall deliver such forms a reasonable period of time before the obsolescence or invalidity of any form previously delivered by such Lender.

SECTION 2.10 Payments Generally.

(a) Payments by the Obligors. Each Obligor shall make each payment required to be made by it hereunder (whether of principal, interest or fees, or of amounts payable under Section 2.09, or otherwise), or under any other Loan Document (except to the extent otherwise provided therein), prior to 2:00 p.m., New York City time, on the date when due, in immediately available funds, without setoff or counterclaim. Any amounts received after such time on any date may, in the discretion of the Lender, be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon. All such payments shall be made to the Lender at its offices at Hillside Capital Incorporated, 405 Park Avenue, 12th Floor, New York, New York 10022, except as otherwise expressly provided in the relevant Loan Document. If any payment hereunder shall be due on a day that is not a Business Day, the date for payment shall be extended to the next succeeding Business Day and, in the case of any payment accruing interest, interest thereon shall be payable for the period of such extension. All payments hereunder or under any other Loan Document (except to the extent otherwise provided therein) shall be made in Dollars.

(b) Application of Insufficient Payments. If at any time insufficient funds are received by and available to the Lender to pay fully all amounts of principal, interest and fees then due hereunder, such funds shall be applied (i) first, to pay interest and fees then due hereunder, and (ii) second, to pay principal then due hereunder.

ARTICLE III

GUARANTEE

SECTION 3.01 The Guarantee. The Subsidiary Guarantors hereby jointly and severally guarantee to the Lender, each other holder of a Guaranteed Obligation (as hereinafter defined) and its successors and assigns the prompt payment in full when due (whether at stated maturity, by acceleration or otherwise) of the principal of and interest on the Loans made by the Lender to the Borrower and all fees, indemnification payments and other amounts whatsoever, whether direct or indirect, absolute or contingent, now or hereafter from time to time owing to the Lender by the Borrower under this Agreement and by any Obligor under any of the other Loan Documents, in each case strictly in accordance with the terms thereof and including all interest and expenses accrued or incurred subsequent to the commencement of any bankruptcy or insolvency proceedings with respect to the Borrower, whether or not such interest or expenses are allowed as a claim in such proceeding (such obligations being herein collectively called the "Guaranteed Obligations"). The Subsidiary Guarantors hereby further jointly and severally agree that if the Borrower shall fail to pay in full when due (whether at stated maturity, by acceleration or otherwise) any of the Guaranteed Obligations, the Subsidiary Guarantors will promptly pay the same, without any demand or notice whatsoever and that in the case of any extension of time of payment or renewal of any of the Guaranteed Obligations, the same will be promptly paid in full when due (whether at extended maturity, by acceleration or otherwise) in accordance with the terms of such extension or renewal.

SECTION 3.02 Obligations Unconditional. The obligations of the Subsidiary Guarantors under Section 3.01 are absolute and unconditional, joint and several, irrespective of the value, genuineness, validity, regularity or enforceability of the obligations of the Borrower under this Agreement or any other agreement or instrument referred to herein, or any substitution, release or exchange of any other guarantee of or security for any of the Guaranteed Obligations, and, to the fullest extent permitted by applicable law, irrespective of any other circumstance whatsoever that might otherwise constitute a legal or equitable discharge or defense of a surety or guarantor, it being the intent of this Section that the obligations of the Subsidiary Guarantors hereunder shall be absolute and unconditional, joint and several, under any and all circumstances. Without limiting the generality of the foregoing, it is agreed that the occurrence of any one or more of the following shall not alter or impair the liability of the Subsidiary Guarantors hereunder, which shall remain absolute and unconditional as described above:

(i) at any time or from time to time, without notice to the Subsidiary Guarantors, the time for any performance of or compliance with any of the Guaranteed Obligations shall be extended, or such performance or compliance shall be waived;

(ii) any of the acts mentioned in any of the provisions of this Agreement or any other agreement or instrument referred to herein shall be done or omitted;

(iii) the maturity of any of the Guaranteed Obligations shall be accelerated, or any of the Guaranteed Obligations shall be modified, supplemented or amended in any respect, or any right under this Agreement or any other agreement or instrument referred to herein shall be waived or any other guarantee of any of the Guaranteed Obligations or any security therefor shall be released or exchanged in whole or in part or otherwise dealt with; or

(iv) any lien or security interest granted to, or in favor of, the Lender as security for any of the Guaranteed Obligations shall fail to be perfected.

The Subsidiary Guarantors hereby expressly waive diligence, presentment, demand of payment, protest and all notices whatsoever and any requirement that the Lender exhaust any right, power or remedy or proceed against the Borrower under this Agreement or any other agreement or instrument referred to herein, or against any other Person under any other guarantee of, or security for, any of the Guaranteed Obligations.

SECTION 3.03 Reinstatement. The obligations of the Subsidiary Guarantors under this Article shall be automatically reinstated if and to the extent that for any reason any payment by or on behalf of the Borrower in respect of the Guaranteed Obligations is rescinded or must be otherwise restored by any holder of any of the Guaranteed Obligations, whether as a result of any proceedings in bankruptcy or reorganization or otherwise, and the Subsidiary Guarantors jointly and severally agree that they will indemnify the Lender on demand for all reasonable costs and expenses (including fees of counsel) incurred by the Lender in connection with such rescission or restoration, including any such costs and expenses incurred in defending against any claim alleging that such payment constituted a preference, fraudulent transfer or similar payment under any bankruptcy, insolvency or similar law.

SECTION 3.04 Subrogation. The Subsidiary Guarantors hereby jointly and severally agree that until the payment and satisfaction in full of all Guaranteed Obligations and the expiration and termination of the Commitments under this Agreement and until the Hillside-Ampex/ Sherborne Agreement has been terminated and Hillside is no longer obligated to make Required Contributions thereunder, they shall not exercise any right or remedy arising by reason of any performance by them of their guarantee in Section 3.01, whether by subrogation or otherwise, against the Borrower or any other guarantor of any of the Guaranteed Obligations or any security for any of the Guaranteed Obligations.

SECTION 3.05 Remedies. The Subsidiary Guarantors jointly and severally agree that, as between the Subsidiary Guarantors and the Lender, the obligations of the Borrower under this Agreement may be declared to be forthwith due and payable as provided in Article VIII (and shall be deemed to have become automatically due and payable in the circumstances provided in Article VIII) for purposes of Section 3.01 notwithstanding any stay, injunction or other prohibition preventing such declaration (or such obligations from becoming automatically due and payable) as against the Borrower and that, in the event of such declaration (or such obligations being deemed to have become automatically due and payable), such obligations (whether or not due and payable by the Borrower) shall forthwith become due and payable by the Subsidiary Guarantors for purposes of Section 3.01.

SECTION 3.06 Instrument for the Payment of Money. Each Subsidiary Guarantor hereby acknowledges, to the extent permitted by law, that the guarantee in this Article constitutes an instrument for the payment of money, and consents and agrees that the Lender, at its sole option, in the event of a dispute by such Subsidiary Guarantor in the payment of any moneys due hereunder, shall have, to the extent permitted by law, the right to bring motion action under N.Y. Civ. Prac. L&R § 3213.

SECTION 3.07 Continuing Guarantee. The guarantee in this Article is a continuing guarantee, and shall apply to all Guaranteed Obligations whenever arising.

SECTION 3.08 Rights of Contribution. The Subsidiary Guarantors hereby agree, as between themselves, that if any Subsidiary Guarantor shall become an Excess Funding Guarantor (as defined below) by reason of the payment by such Subsidiary Guarantor of any Guaranteed Obligations, then each other Subsidiary Guarantor shall, on demand of such Excess Funding Guarantor (but subject to the next sentence), pay to such Excess Funding Guarantor an amount equal to such Subsidiary Guarantor' s Pro Rata Share (as defined below and determined, for this purpose, without reference to the properties, debts and liabilities of such Excess Funding Guarantor) of the Excess Payment (as defined below) in respect of such Guaranteed Obligations. The payment obligation of a Subsidiary Guarantor to any Excess Funding Guarantor under this Section shall be subordinate and subject in right of payment to the prior payment in full of the obligations of such Subsidiary Guarantor under the other provisions of this Article and such Excess Funding Guarantor shall not exercise any right or remedy with respect to such excess until payment and satisfaction in full of all of such obligations.

For purposes of this Section, (i) "Excess Funding Guarantor" means, in respect of any Guaranteed Obligations, a Subsidiary Guarantor that has paid an amount in excess of its Pro Rata Share of such Guaranteed Obligations, (ii) "Excess Payment" means, in respect of any Guaranteed Obligations, the amount paid by an Excess Funding Guarantor in excess of its Pro Rata Share of such Guaranteed Obligations and (iii) "Pro Rata Share" means, for any Subsidiary Guarantor, the ratio (expressed as a percentage) of (x) the amount by which the aggregate present fair saleable value of all properties of such Subsidiary Guarantor (excluding any shares of stock or other equity interest of any other Subsidiary Guarantor) exceeds the amount of all the debts and liabilities of such Subsidiary Guarantor (including contingent, subordinated, unmatured and unliquidated liabilities, but excluding the obligations of such Subsidiary Guarantor hereunder and any obligations of any other Subsidiary Guarantor that have been Guaranteed by such Subsidiary Guarantor) to (y) the amount by which the aggregate fair saleable value of all properties of all of the Subsidiary Guarantors exceeds the amount of all the debts and liabilities (including contingent, subordinated, unmatured and unliquidated liabilities, but excluding the obligations of the Borrower and the Subsidiary Guarantors hereunder and under the other Loan Documents) of all of the Subsidiary Guarantors, determined (A) with respect to any Subsidiary Guarantor that is a party hereto on the Closing Date, as of the Closing Date, and (B) with respect to any other Subsidiary Guarantor, as of the date such Subsidiary Guarantor becomes a Subsidiary Guarantor hereunder.

SECTION 3.09 General Limitation on Guarantee Obligations. In any action or proceeding involving any state corporate law, or any state or Federal bankruptcy, insolvency, reorganization or other law affecting the rights of creditors generally, if the obligations of any Subsidiary Guarantor under Section 3.01 would otherwise, taking into account the provisions of Section 3.08, be held or determined to be void, invalid or unenforceable, or subordinated to the claims of any other creditors, on account of the amount of its liability under Section 3.01, then,

notwithstanding any other provision hereof to the contrary, the amount of such liability shall, without any further action by such Subsidiary Guarantor, the Lender or any other Person, be automatically limited and reduced to the highest amount that is valid and enforceable and not subordinated to the claims of other creditors as determined in such action or proceeding.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF THE BORROWER

The Borrower represents and warrants to the Lender the Lender that:

SECTION 4.01 Organization; Powers. Each of the Borrower and its Subsidiaries is duly organized, validly existing and, except as set forth in Schedule 7, in good standing under the laws of the jurisdiction of its organization, has all requisite power and authority to carry on its business as now conducted and, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, is qualified to do business in, and is in good standing in, every jurisdiction where such qualification is required.

SECTION 4.02 Authorization; Enforceability. The Transactions are within each Obligor' s corporate powers and have been duly authorized by all necessary corporate and, if required, by all necessary shareholder action. This Agreement has been duly executed and delivered by each Obligor and constitutes, and each of the other Transaction Documents to which it is a party when executed and delivered by such Obligor will constitute, a legal, valid and binding obligation of such Obligor, enforceable against each Obligor in accordance with its terms, except as such enforceability may be limited by (a) bankruptcy, insolvency, reorganization, moratorium or similar laws of general applicability affecting the enforcement of creditors' rights and (b) the application of general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

SECTION 4.03 Governmental Approvals; No Conflicts. The Transactions:

(a) do not require any consent or approval of, registration or filing with, or any other action by, any Governmental Authority, except for (i) such as have been obtained or made and are in full force and effect, (ii) filings and recordings in respect of the Liens created pursuant to the Security Documents and (iii) such as are required under applicable securities laws in connection with a disposition of Collateral constituting securities.

(b) will not violate any applicable law or regulation or the charter, by-laws or other organizational documents of the Borrower or any of its Subsidiaries or any order of any Governmental Authority,

(c) will not violate or result in a default under any indenture, agreement or other instrument binding upon the Borrower or any of its Subsidiaries or assets, or give rise to a right thereunder to require any payment to be made by any such Person, and

(d) except for the Liens created pursuant to the Security Documents, will not result in the creation or imposition of any Lien on any asset of the Borrower or any of its Subsidiaries.

SECTION 4.04 Financial Condition.

(a) Historical Financial Statements. The Borrower has heretofore furnished to the Lender its consolidated balance sheet and statements of income, stockholders' equity and cash flows (i) as of and for the fiscal year ended December 31, 2007, reported on by BDO Seidman, LLP, independent accountants, and (ii) as of and for the period and the portion of the fiscal year ended March 31, 2008, certified by the chief financial officer of the Borrower. Such financial statements present fairly, in all material respects, the financial position and results of operations and cash flows of the Borrower and its Subsidiaries as of such dates and for such periods in accordance with GAAP, subject to year-end audit adjustments and the absence of footnotes in the case of the statements referred to in clause (ii) of the first sentence of this paragraph, but excluding the effect, if any, of the Unresolved Governmental Claims.

(b) Pro Forma Financial Information. The Borrower has heretofore furnished to the Lender projected monthly consolidated balance sheets, income statements and statements of cash flows of the Borrower and its Subsidiaries for each calendar month in 2008, which projected financial statements shall be updated from time to time pursuant to Section 6.01(i). Such projections have been prepared in good faith by the existing management of the Borrower based on assumptions believed by the management of the Borrower to be reasonable and upon information believed by the management of the Borrower to be accurate.

SECTION 4.05 Properties.

(a) Property Generally. Each of the Borrower and its Subsidiaries has good title to, or valid leasehold interests in, all its real and personal property material to its business, subject only to Liens permitted by Section 7.02 and except for minor defects in title that do not interfere with its ability to conduct its business as currently conducted or to utilize such properties for their intended purposes.

(b) Intellectual Property. To the knowledge of the Borrower, each of the Borrower and its Subsidiaries owns, or is licensed to use, all trademarks, tradenames, copyrights, patents and other intellectual property material to its business, and the use thereof by the Borrower and its Subsidiaries does not infringe upon the rights of any other Person, except for any such infringements that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

SECTION 4.06 Litigation and Environmental Matters.

(a) Actions, Suits and Proceedings. Except as set forth on Schedule 4, there are no actions, suits or proceedings by or before any arbitrator or Governmental Authority now pending against or, to the knowledge of the Borrower, threatened against or affecting the Borrower or any of its Subsidiaries (i) as to which there is a reasonable possibility of an adverse determination and that, if adversely determined, could reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect or (ii) that involve this Agreement or the Transactions.

(b) Environmental Matters. Except as set forth in Schedule 5 and except with respect to any matters that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, neither the Borrower nor any of its Subsidiaries, to the knowledge of the Borrower, (i) has failed to comply with any Environmental Law or to obtain, maintain or comply with any permit, license or other approval required under any Environmental Law, (ii) has become subject to any Environmental Liability, (iii) has received notice of any claim with respect to any Environmental Liability or (iv) knows of any basis for any Environmental Liability.

SECTION 4.07 Compliance with Laws and Agreements. Each of the Borrower and its Subsidiaries is in compliance with all laws, regulations and orders of any Governmental Authority applicable to it or its property and all indentures, agreements and other instruments binding upon it or its property, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect. No Default has occurred and is continuing.

SECTION 4.08 Investment Company Status. Neither the Borrower nor any of its Subsidiaries is an "investment company" as defined in, or subject to regulation under, the Investment Company Act of 1940.

SECTION 4.09 Taxes. Each of the Borrower and its Subsidiaries has timely filed or caused to be filed all Tax returns and reports required to have been filed and has paid or caused to be paid all Taxes required to have been paid by it, except (a) Taxes that are being contested in good faith by appropriate proceedings and for which such Person has set aside on its books adequate reserves or (b) to the extent that the failure to do so could not reasonably be expected to result in a Material Adverse Effect.

SECTION 4.10 ERISA. Assuming that Required Contributions are made in accordance with the provisions of the Hillside-Ampex/ Sherborne Agreement, no ERISA Event has occurred or is reasonably expected to occur that, when taken together with all other such ERISA Events for which liability is reasonably expected to occur, could reasonably be expected to result in a Material Adverse Effect.

SECTION 4.11 Disclosure. The Borrower has disclosed to the Lender all agreements, instruments and corporate or other restrictions to which it or any of its Subsidiaries is subject, and all other matters known to it, that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect. None of the reports, financial statements, certificates or other information furnished by or on behalf of the Obligors to the Lender in connection with the negotiation of this Agreement and the other Loan Documents or delivered hereunder or thereunder (as modified or supplemented by other information so furnished) contains any material misstatement of fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that, with respect to projected financial information, the Borrower represents only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time.

SECTION 4.12 Use of Credit. Neither the Borrower nor any of its Subsidiaries is engaged principally, or as one of its important activities, in the business of extending credit for the purpose, whether immediate, incidental or ultimate, of buying or carrying Margin Stock, and no part of the proceeds of any Loan hereunder will be used to buy or carry any Margin Stock.

SECTION 4.13 Material Agreements and Liens.

(a) Material Agreements. Part A of Schedule 1 is a complete and correct list of each credit agreement, loan agreement, indenture, purchase agreement, guarantee, letter of credit or other arrangement providing for or otherwise relating to any Indebtedness or any extension of credit (or commitment for any extension of credit) to, or guarantee by, the Borrower or any of its Subsidiaries outstanding on the date hereof, or that (after giving effect to the transactions contemplated to occur on or before the Closing Date) will be outstanding on the Closing Date, the aggregate principal or face amount of which equals or exceeds (or may equal or exceed) $100,000, and the aggregate principal or face amount outstanding or that may become outstanding under each such arrangement is correctly described in Part A of Schedule 1.

(b) Liens. Part B of Schedule 1 is a complete and correct list of each Lien securing Indebtedness of any Person outstanding on the date hereof, or that (after giving effect to the transactions contemplated to occur on or before the Closing Date) will be outstanding on the Closing Date, the aggregate principal or face amount of which equals or exceeds (or may equal or exceed) $100,000 and covering any property of the Borrower or any of its Subsidiaries, and the aggregate Indebtedness secured (or that may be secured) by each such Lien and the property covered by each such Lien is correctly described in Part B of Schedule 1.

SECTION 4.14 Capitalization. The authorized capital stock of the Borrower will consist, on the Closing Date (after giving effect to the transactions contemplated to occur on or before the Closing Date), of an aggregate of 45,000 shares consisting of (i) 40,000 shares of common stock, $.01 par value per share, of which, after giving effect to the transactions contemplated to occur on the Closing Date, 40,000 shares will be duly and validly issued and outstanding, each of which shares will be fully paid and nonassessable and (ii) 5,000 shares of preferred stock, $0.01 par value per share, of which, after giving effect to the transactions contemplated to occur on the Closing Date, no shares will be issued or outstanding. As of the Closing Date (after giving effect to the transactions contemplated to occur on or before the Closing Date), 96.46% of such issued and outstanding shares of common stock will be owned beneficially and of record by Hillside. As of the Closing Date (after giving effect to the transactions contemplated to occur on or before the Closing Date), (x) except for the Management Equity Rights Plan, there will be no outstanding Equity Rights with respect to the Borrower and (y) except for the Management Equity Rights Plan, there will be no outstanding obligations of the Borrower or any of its Subsidiaries to repurchase, redeem, or otherwise acquire any shares of capital stock of the Borrower nor will there be any outstanding obligations of the Borrower or any of its Subsidiaries to make payments to any Person, such as "phantom stock" payments, where the amount thereof is calculated with reference to the fair market value or equity value of the Borrower or any of its Subsidiaries.

SECTION 4.15 Subsidiaries and Investments.

(a) Subsidiaries. Set forth in Part A of Schedule 3 is a complete and correct list of all of the Subsidiaries of the Borrower as of the date hereof, and as of the Closing Date (after giving effect to the transactions contemplated to occur on or before the Closing Date), together with, for each such Subsidiary, (i) the jurisdiction of organization of such Subsidiary (and specifying whether such Subsidiary is as of the Closing Date a Foreign Subsidiary), (ii) each Person holding ownership interests in such Subsidiary and (iii) the nature of the ownership interests held by each such Person and the percentage of ownership of such Subsidiary represented by such ownership interests. Except as disclosed in Part A of Schedule 3, (x) each of the Borrower and its Subsidiaries owns, or will own on the Closing Date (after giving effect to the transactions contemplated to occur on or before the Closing Date), free and clear of Liens (other than Liens created pursuant to the Security Documents), and has the unencumbered right to vote, all outstanding ownership interests in each Person shown to be held by it in Part A of Schedule 3, (y) all of the issued and outstanding capital stock of each such Person organized as a corporation is validly issued, fully paid and nonassessable and (z) there are no outstanding Equity Rights with respect to such Person.

(b) Investments. Set forth in Part B of Schedule 3 is a complete and correct list of all Investments (other than Investments disclosed in Part A of Schedule 3 and other than Investments of the types referred to in clauses (i), (ii), (iii), and (iv) of Section 7.05(a)) held by the Borrower or any of its Subsidiaries in any Person on the date hereof or that will be held on the Closing Date (after giving effect to the transactions contemplated to occur on or before the Closing Date) and, for each such Investment, (x) the identity of the Person or Persons holding such Investment and (y) the nature of such Investment. Except as disclosed in Part B of Schedule 3, each of the Borrower and its Subsidiaries owns (or will own, after giving effect to the transactions contemplated to occur on or before the Closing Date), free and clear of all Liens (other than Liens created pursuant to the Security Documents), all such Investments.

(c) Restrictions on Subsidiaries. None of the Subsidiaries of the Borrower is, on the date hereof, subject to any indenture, agreement, instrument or other arrangement of the type described in Section 7.08 except as provided in that Section or as set forth in Schedule 2.

(d) Excluded Subsidiaries. Each Subsidiary of the Borrower that is not a Subsidiary Guarantor is either (i) a Foreign Subsidiary or (ii) an inactive Subsidiary that owns no assets.

ARTICLE IV-A

REPRESENTATIONS AND WARRANTIES OF THE LENDER

SECTION 4.01A. Resale of Notes. Without characterizing any Loan as a security, the Lender represents and warrants to the Borrower that the Lender is acquiring the Tranche A Loans and the Tranche D Loans, and any notes issued pursuant to Section 2.06(e) hereof and evidencing such Loans, for its own account, for investment, and not with a view to the distribution thereof, and agrees that it will not sell or otherwise transfer the same, or any interest therein, except pursuant to an effective registration statement under the Securities Act of

1933, as amended, or in a transaction not subject to, or exempt under, the registration provisions of such Act and in compliance the provisions of any applicable state securities law. The Lender further represents that it understands that the Borrower has no obligation to effect any such registration or any registration or qualification of such Loans or notes under state securities laws.

ARTICLE V

CONDITIONS

SECTION 5.01 Closing Date. The Closing Date shall not occur, and the obligations of the Lender to make the Tranche B Loan and the Tranche C Loan hereunder shall not become effective, until the first date on which each of the following conditions is satisfied (or waived by the Lender in accordance with Section 9.02):

(a) Confirmation of Plan of Reorganization. The final order confirming the Plan of Reorganization and authorizing the Obligors to enter into the Loan Documents (the "Confirmation Order") shall have been entered by the Bankruptcy Court after due notice to all creditors and other parties-in-interest, shall be in full force and effect, shall not have been modified, reversed, stayed or vacated, and shall be final, valid, subsisting and continuing. The Plan of Reorganization, any amendments thereto and the related conclusions of law and findings of fact shall be effective and shall be in form and substance satisfactory to the Lender and its counsel, and all agreements and undertakings of the parties thereunder to be performed as of the Closing Date shall have been satisfied and performed. The Obligors shall have emerged (or be simultaneously emerging) from the Chapter 11 Case and shall have consummated (or shall be simultaneously consummating) the Plan of Reorganization in accordance with the terms thereof and all conditions precedent to the effectiveness of the Plan of Reorganization shall have been (or are simultaneously being) fulfilled (or waived in accordance with the terms of the Plan of Reorganization). The Prepetition Debt Obligations shall have been satisfied in the manner contemplated by the Plan of Reorganization.

(b) Governmental Authorizations, Consents and Approvals. Each Obligor shall have obtained all Governmental Authorizations, consents of other Persons and approvals, including any PBGC approvals, in each case that are necessary or advisable in connection with the transactions contemplated by the Transaction Documents and the Plan of Reorganization, and each of the foregoing shall be in full force and effect and in form and substance satisfactory to the Lender. All applicable waiting periods shall have expired without any action being taken or threatened by any competent authority which would restrain, prevent or otherwise impose adverse conditions on the transactions contemplated by the Transaction Documents or the Plan of Reorganization or the financing thereof and no action, request for stay, petition for review or rehearing, reconsideration, or appeal with respect to any of the foregoing shall be pending, and the time for any applicable agency to take action to set aside its consent on its own motion shall have expired.

(c) No Litigation. No motion, action, suit, investigation, litigation or proceeding or other legal or regulatory developments (other than as set forth on Schedule 4 hereto) shall be pending or threatened against any Obligor by any creditor or other party-in-interest in the Bankruptcy Court or any other court of competent jurisdiction or before any arbitrator or Governmental Authority that, in the opinion of the Lender, singly or in the aggregate, adversely affects or may reasonably be expected to adversely affect (i) the Plan of Reorganization, (ii) the post-consummation business of the Obligors or (iii) the validity and enforceability of the Loan Documents against the Obligors.

(d) New Common Stock. Hillside shall have received at least 80% of the New Common Stock, as defined in the Plan of Reorganization.

(e) Receipt of Documents. The Lender shall have received each of the following documents, each of which shall be satisfactory to the Lender and its special counsel in form and substance:

(i) Executed Counterparts. From each Obligor, a counterpart of this Agreement signed on behalf of such party.

(ii) Opinion of Counsel to the Obligors. A favorable written opinion (addressed to the Lender and dated the Closing Date) of Willkie Farr & Gallagher LLP, counsel for the Obligors, covering such matters relating to the Borrower, this Agreement or the Transactions as the Lender shall reasonably request (and each Obligor hereby instructs such counsel to deliver such opinion to the Lender).

(iii) Corporate Documents. Such documents and certificates as the Lender or its counsel may reasonably request relating to the organization, existence and good standing of each Obligor, the authorization of the Transactions and any other legal matters relating to the Obligors, this Agreement or the Transactions.

(iv) Officer' s Certificate. A certificate, dated the Closing Date and signed by the President, a Vice President or a Financial Officer of the Borrower, confirming compliance with the conditions set forth in the lettered clauses of the first sentence of Section 5.02.

(v) Intercreditor Agreement. The Intercreditor Agreement, duly executed and delivered by the Borrower, the Subsidiary Guarantors, the Senior Note Trustee, the Lender and the Collateral Agent.

(vi) Security Agreement. The Security Agreement, duly executed and delivered by the Borrower, the Subsidiary Guarantors and the Collateral Agent and the stock certificates identified in Annex 3 thereto, in each case accompanied by undated stock powers executed in blank. In addition, the Borrower and the Subsidiary Guarantors shall have taken such other action as the Collateral Agent shall have reasonably requested in order to perfect the security interests created pursuant to the Security Agreement (including without limitation the execution and delivery of UCC financing statements, originals of securities, instruments and chattel paper and any agreements governing deposit and/or securities accounts and registration of all security interests in intellectual property at the United States Patent and Trademark Office (if applicable), all as provided in the Security Agreement).

(vii) Senior Note Indenture. A copy of the executed Senior Note Indenture (certified as such by the President, a Vice President or a Financial Officer of the Borrower).

(viii) Hillside-Ampex/Sherborne Agreement. A copy of the executed Hillside-Ampex/Sherborne Agreement (as amended by the Plan of Reorganization).

(ix) Confirmation Order and Plan of Reorganization. A copy of the Confirmation Order (certified as such by the President, a Vice President or a Financial Officer of the Borrower), in form and substance satisfactory to the Lender, together with evidence in form and substance satisfactory to the Lender that all consents, approvals or withholding of objections appropriate or necessary to consummate the Plan of Reorganization and the Transaction Documents have been obtained.

(x) Satisfaction of Prepetition Debt Obligations. A termination and release agreement with respect to the Prepetition Debt Obligations and all related documents, duly executed by authorized representatives of the holder or holders of such obligations, together with a termination of security interest in intellectual property for each assignment for security duly recorded at the United States Patent and Trademark Office and covering any intellectual property of the secured parties under the Prepetition Debt Obligations, and UCC-3 termination statements for all UCC-1 financing statements duly filed and covering any portion of the Collateral.

(xi) Pro Forma Financial Information. Copies of the pro forma financial information described in Section 4.04(b).

(xii) Certificates of Required Insurance. Certificates of insurance for all insurance required to be maintained under Section 6.05(b).

(xiii) Other Documents. Such other documents as the Lender or its special counsel may reasonably request.

The obligation of the Lender to make the initial Loans hereunder is also subject to the payment by the Borrower of such fees as the Borrower shall have agreed to pay to the Lender in connection herewith, including the reasonable fees and expenses of Milbank, Tweed, Hadley & McCloy LLP, special New York counsel to the Lender, in connection with the negotiation, preparation, execution and delivery of this Agreement and the other Transaction Documents and the Loans hereunder (to the extent that statements for such fees and expenses have been delivered to the Borrower).

SECTION 5.02 Each Credit Event. The obligation of the Lender to make the Tranche B Loan and the Tranche C Loan hereunder is additionally subject to the satisfaction of the following conditions:

(a) the representations and warranties of the Borrower set forth in this Agreement, and of each Obligor in each of the other Loan Documents to which it is a party, shall be true and correct in all material respects on and as of the date of such Loan; and

(b) at the time of and immediately after giving effect to such Loan, no Default shall have occurred and be continuing.

Each Loan shall be deemed to constitute a representation and warranty by the Borrower on the date thereof as to the matters specified in the preceding sentence.

ARTICLE VI

AFFIRMATIVE COVENANTS

Until (i) the Commitments have expired or been terminated and the principal of and interest on each Loan and all fees payable hereunder shall have been paid in full and (ii) the members of the Hillside Group no longer have any obligations to make Required Contributions and no longer are liable in respect of Termination Liabilities under the Hillside-Ampex/Sherborne Agreement, the Borrower covenants and agrees with the Lender that:

SECTION 6.01 Financial Statements and Other Information. The Borrower will furnish to the Lender:

(a) within 120 days after the end of each fiscal year of the Borrower, the audited consolidated balance sheet and related statements of operations, stockholders' equity and cash flows of the Borrower and its Subsidiaries as of the end of and for such year, setting forth in each case in comparative form the figures for the previous fiscal year, all reported on by BDO Seidman, LLP or other independent public accountants reasonably satisfactory to the Lender (without a "going concern" or like qualification or exception and without any qualification or exception as to the scope of such audit) to the effect that such consolidated financial statements present fairly in all material respects the financial condition and results of operations of the Borrower and its Subsidiaries on a consolidated basis in accordance with GAAP consistently applied;

(b) within 45 days after the end of each of the first eleven months of each fiscal year of the Borrower, the consolidated balance sheet and related statements of operations, stockholders' equity and cash flows of the Ampex Group as of the end of and for such month and the then elapsed portion of the fiscal year, setting forth in each case in comparative form the figures for (or, in the case of the balance sheet, as of the end of) the corresponding period or periods of the previous fiscal year, all certified by a Financial Officer of the Borrower as presenting fairly in all material respects the financial condition and results of operations of the Ampex Group on a consolidated basis in accordance with GAAP consistently applied, subject to normal year-end audit adjustments and the absence of footnotes;

(c) concurrently with any delivery of financial statements under clause (a) or (b) of this Section, a certificate of a Financial Officer of the Borrower (i) certifying as to whether a Default has occurred and, if a Default has occurred, specifying the details thereof and any action taken or proposed to be taken with respect thereto, (ii) setting forth reasonably detailed calculations demonstrating compliance with Section 7.01 and Section 7.06, and (iii) stating whether any change in GAAP or in the application thereof has occurred since the date of the audited financial statements referred to in Section 4.04 and, if any such change has occurred, specifying the effect of such change on the financial statements accompanying such certificate;

(d) promptly following each Quarterly Date, a reasonably detailed narrative discussion of the changes in the Borrower' s financial condition and results of operations compared with the prior periods presented, similar to the discussion contained in the "MD&A" section of an Exchange Act report;

(e) concurrently with any delivery of financial statements under clause (a) of this Section, a certificate of the accounting firm that reported on such financial statements stating whether they obtained knowledge during the course of their examination of such financial statements of any Default (which certificate may be limited to the extent required by accounting rules or guidelines);

(f) promptly after the same are distributed by the Borrower to its shareholders generally, copies of any periodic and other reports, proxy statements or other similar materials;

(g) promptly following any request therefor, such other information regarding the operations, business affairs and financial condition of the Borrower or any of its Subsidiaries, or compliance with the terms of this Agreement and the other Transaction Documents, as the Lender may reasonably request;

(h) during the first quarter of each fiscal year, a detailed consolidated budget for each of the Borrower and the Ampex Group for such fiscal year (including a projected consolidated balance sheet and related statements of projected operations and cash flow as of the end of and for each month during such fiscal year) and the succeeding fiscal years through the Final Maturity Date (including a projected consolidated balance sheet and related statements of projected operations and cash flow as of the end of and for each month during such fiscal year) and, promptly when available, any significant revisions of such budgets;

(i) promptly upon becoming aware that any of the pro forma financial information delivered pursuant to Section 5.01(e)(xi) has become inaccurate in any material respect, a corrected update of such pro forma financial information;

(j) within thirty (30) days after the end of each calendar year quarter, a written report which contains (i) an analysis of past, current and projected license agreement income segregated by licensee, patents, trademarks and copyrights and (ii) a narrative description of intellectual property licensing activities during such quarter; and

(k) at least ten (10) days prior to entering into any new agreements that provide for the payment of third party commissions by any member of the Ampex Group in connection with the licensing of intellectual property or prior to making any proposed change in the terms of the currently existing agreements that provide for the payment of third party commissions by any member of the Ampex Group in connection with the licensing of intellectual property, a written description of the material terms of such new agreement or change of terms (and no member of the Ampex Group shall enter into any such new agreements or change the terms of any such currently existing agreements without the prior written consent of Hillside, which shall not be unreasonably withheld).

SECTION 6.02 Notices of Material Events. The Borrower will furnish to the Lender prompt written notice of the following:

(a) the occurrence of any Default;

(b) the filing or commencement of any action, suit or proceeding by or before any arbitrator or Governmental Authority against or affecting the Borrower or any of its Affiliates that, if adversely determined, could reasonably be expected to result in a Material Adverse Effect;

(c) the occurrence of any ERISA Event that, alone or together with any other ERISA Events that have occurred, could reasonably be expected to result in liability of the Borrower and its Subsidiaries in an aggregate amount exceeding $500,000;

(d) the assertion of any environmental matters by any Person against, or with respect to the activities of, the Borrower or any of its Subsidiaries and any alleged violation of or non-compliance with any Environmental Laws or any permits, licenses or authorizations, other than any environmental matters or alleged violation that, if adversely determined, would not (either individually or in the aggregate) have a Material Adverse Effect; and

(e) any other development that results in, or could reasonably be expected to result in, a Material Adverse Effect.

Each notice delivered under this Section shall be accompanied by a statement of a Financial Officer or other executive officer of the Borrower setting forth the details of the event or development requiring such notice and any action taken or proposed to be taken with respect thereto.

SECTION 6.03 Existence; Conduct of Business. The Borrower will, and will cause each of its Subsidiaries to, do or cause to be done all things necessary to preserve, renew and keep in full force and effect its legal existence and the rights, licenses, permits, privileges and franchises material to the conduct of its business; provided that the foregoing shall not prohibit any merger, consolidation, liquidation or dissolution permitted under Section 7.03.

SECTION 6.04 Payment of Obligations. The Borrower will, and will cause each of its Subsidiaries to, pay its obligations, including Tax liabilities, that, if not paid, could result in a Material Adverse Effect before the same shall become delinquent or in default, except where (a) the validity or amount thereof is being contested in good faith by appropriate proceedings, (b) the Borrower or such Subsidiary has set aside on its books adequate reserves with respect thereto in accordance with GAAP and (c) the failure to make payment pending such contest could not reasonably be expected to result in a Material Adverse Effect.

SECTION 6.05 Maintenance of Properties; Insurance. The Borrower will, and will cause each of its Subsidiaries to, (a) keep and maintain all property material to the conduct of its business in good working order and condition, ordinary wear and tear excepted, and (b) maintain, with financially sound and reputable insurance companies, insurance in such amounts and against such risks as are customarily maintained by companies engaged in the same or similar businesses operating in the same or similar locations, and ensure that the Collateral Agent shall be named as an additional insured and as loss payee on such insurance, pursuant to a standard non-contributory New York mortgagee endorsement, and such policy shall be in an amount at least sufficient to prevent coinsurance liability.

SECTION 6.06 Books and Records; Inspection Rights. The Borrower will, and will cause each of its Subsidiaries to, keep proper books of record and account in which full, true and correct entries are made of all dealings and transactions in relation to its business and activities. The Borrower will, and will cause each of its Subsidiaries to, permit any representatives designated by the Lender, upon reasonable prior notice, to visit and inspect its properties, to examine and make extracts from its books and records, and to discuss its affairs, finances and condition with its officers and its independent accountants (so long as the Borrower is afforded a reasonable opportunity to join in any such meetings with such accountants), all at such reasonable times and as often as reasonably requested.

SECTION 6.07 Compliance with Laws. The Borrower will, and will cause each of its Subsidiaries to, comply with all laws, rules, regulations and orders of any Governmental Authority applicable to it or its property, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

SECTION 6.08 Use of Proceeds. The proceeds of the Tranche B Loan and the Tranche C Loan will be applied in partial satisfaction of the obligations owing by the Borrower to holders of the Prepetition Debt Obligations in accordance with the Plan of Reorganization. No part of the proceeds of any Loan will be used, whether directly or indirectly, for any purpose that entails a violation of any of the Regulations of the Board, including Regulations U and X.

SECTION 6.09 Certain Obligations Respecting Subsidiaries; Further Assurances.

(a) Subsidiary Guarantors. The Borrower will take such action, and will cause each of its Subsidiaries to take such action, from time to time as shall be necessary to ensure that all Subsidiaries of the Borrower that are not Foreign Subsidiaries or Excluded Subsidiaries are "Subsidiary Guarantors" hereunder. Without limiting the generality of the foregoing, in the event that the Borrower or any of its Subsidiaries shall form or acquire any new Person that shall constitute a Subsidiary hereunder (excluding any Foreign Subsidiary), the Borrower and its Subsidiaries will cause such new Subsidiary to (i) become a "Subsidiary Guarantor" hereunder, and a "Securing Party" under the Security Agreement pursuant to a Guarantee Assumption Agreement, (ii) cause such Subsidiary to take such action (including delivering such shares of stock, executing and delivering such Uniform Commercial Code financing statements) as shall be necessary to create and perfect valid and enforceable first priority Liens (subject to Permitted Encumbrances) on substantially all of the personal property of such new Subsidiary as collateral security for the obligations of such new Subsidiary hereunder and (iii) deliver such proof of corporate action, incumbency of officers, opinions of counsel and other documents as is consistent with those delivered by each Obligor pursuant to Section 5.01 on the Closing Date or as the Lender shall have reasonably requested.

(b) Ownership of Subsidiaries; Pledge of Subsidiary Stock. The Borrower will, and will cause each of its Subsidiaries to, take such action from time to time as shall be necessary to ensure that each of its Subsidiaries is a Wholly-Owned Subsidiary. In the event that the Borrower or any of its Subsidiaries shall form or acquire any new Person that shall constitute a Subsidiary hereunder, or any additional shares of stock shall be issued to any Obligor by any Subsidiary, the Obligor agrees forthwith to take such action as shall be necessary to create and perfect valid and enforceable first priority Liens in the shares or other ownership interests in such Subsidiary under the Security Agreement (including delivering the certificates, if any, evidencing such shares or other ownership interests, accompanied by undated stock or other powers executed in blank), provided that (i) the foregoing shall not require any action that the Borrower has reasonably determined would result in adverse tax consequences for any Obligor under Section 956 of the Code and (ii) without limiting clause (i), none of the Borrower or any of its Subsidiaries shall be required to pledge more than 65% of the outstanding shares of Voting Stock of any Foreign Subsidiary.

(c) Further Assurances. The Borrower will, and will cause each of its Subsidiaries to, take such action from time to time as shall reasonably be requested by the Lender to effectuate the purposes and objectives of this Agreement.

(e) Foreign Subsidiaries. No member of the Ampex Group shall transfer cash to any Foreign Subsidiaries (including joint ventures and partnerships) or Excluded Subsidiaries in excess of amounts reasonably necessary, in the good faith judgment of their respective boards of directors, for the commercial and financial requirements of such Subsidiaries. Domestic facilities of the members of the Ampex Group shall not be relocated abroad except for commercial reasons as determined in good faith by the applicable board of directors. The members of the Ampex Group shall not transfer ownership of domestic facilities to Foreign Subsidiaries. The members of the Ampex Group shall use their best efforts to repatriate surplus cash not reasonably required for subsidiaries' needs, to the extent legally permissible.

SECTION 6.10 Good Standing. The Borrower will deliver to the Lender a copy of a certificate of good standing from the Secretary of State of the State of Delaware as soon as practicable after the date hereof in a form satisfactory to the Lender.

Without limiting the generality of the foregoing, the Borrower will, and will cause each other Obligor to, take such action from time to time (including filing appropriate Uniform Commercial Code financing statements, patent security registration documents and executing and delivering such assignments, security agreements and other instruments) as shall be reasonably requested by the Lender to create, in favor of the Lender for the benefit of the Lender, perfected security interests and Liens in substantially all of the property of such Obligor as collateral security for its obligations hereunder, except as otherwise provided in this Agreement or in the Security Agreement; provided that any such security interest or Lien shall be subject to the relevant requirements of the Security Documents.

ARTICLE VII

NEGATIVE COVENANTS

Until (i) the Commitments have expired or been terminated and the principal of and interest on each Loan and all fees payable hereunder shall have been paid in full and (ii) the members of the Hillside Group no longer have any obligations to make Required Contributions and no longer are liable in respect of Termination Liabilities under the Hillside-Ampex/Sherborne Agreement, the Borrower covenants and agrees with the Lender that:

SECTION 7.01 Indebtedness. The Borrower will not, nor will it permit any of its Subsidiaries to, create, incur, assume or permit to exist any Indebtedness, except:

(a) Indebtedness created hereunder;

(b) the Senior Notes in an aggregate principal amount not exceeding $3,658,080 (but not any extensions, renewals or replacements thereof, unless permitted by Section 5.3(a) of the Intercreditor Agreement);

(c) Indebtedness of the Borrower to any Subsidiary Guarantor and of any Subsidiary to the Borrower or any Subsidiary Guarantor;

(d) Guarantees by the Borrower of Indebtedness of any Subsidiary Guarantor and by any Subsidiary of Indebtedness of the Borrower or any Subsidiary Guarantor;

(e) Indebtedness of the Borrower or any Subsidiary incurred to finance the acquisition, construction or improvement of any fixed or capital assets, including Capital Lease Obligations and any Indebtedness assumed in connection with the acquisition of any such assets or secured by a Lien on any such assets prior to the acquisition thereof, and extensions, renewals and replacements of any such Indebtedness that do not increase the outstanding principal amount thereof; provided that (i) such Indebtedness is incurred prior to or within 90 days after such acquisition or the completion of such construction or improvement and (ii) the aggregate principal amount of Indebtedness permitted by this clause (e) shall not exceed $250,000 at any time outstanding;

(f) Indebtedness represented by obligations of the Borrower or any Subsidiary in respect of letters of credit in effect on the date hereof and identified on Schedule 6 hereto, as any such letter of credit may be extended or renewed without increasing the amount that may be drawn thereunder; and

(g) other unsecured Indebtedness in an aggregate principal amount not to exceed $100,000 at any time outstanding.

SECTION 7.02 Liens. The Borrower will not, nor will it permit any of its Subsidiaries to, create, incur, assume or permit to exist any Lien on any property or asset now owned or hereafter acquired by it, or assign or sell any income or revenues (including accounts receivable) or rights in respect of any thereof, except:

(a) Liens created pursuant to the Security Documents;

(b) Permitted Encumbrances; and

(c) Liens on fixed or capital assets acquired, constructed or improved by the Borrower or any Subsidiary; provided that (i) such security interests secure Indebtedness permitted by clause (e) of Section 7.01, (ii) such security interests and the Indebtedness secured thereby are incurred prior to or within 90 days after such acquisition or the completion of such construction or improvement, (iii) the Indebtedness secured thereby does not exceed 90% of the cost of acquiring, constructing or improving such fixed or capital assets and (iv) such security interests shall not apply to any other property or assets of the Borrower or any Subsidiary.

SECTION 7.03 Fundamental Changes. The Borrower will not, nor will it permit any of its Subsidiaries to, enter into any transaction of merger or consolidation or amalgamation, or liquidate, wind up or dissolve itself (or suffer any liquidation or dissolution). The Borrower will not, nor will it permit any of its Subsidiaries to, acquire any business or property from, or capital stock of, or be a party to any Acquisition of, any Person except for purchases of inventory and other property to be sold or used in the ordinary course of business and Investments permitted under Section 7.05. The Borrower will not, nor will it permit any of its Subsidiaries to, convey, sell, lease, transfer or otherwise dispose of, in one transaction or a series of transactions, any part of its business or property, whether now owned or hereafter acquired (including receivables and leasehold interests, but excluding (x) obsolete or worn-out property, tools or equipment no longer used or useful in its business and (y) any inventory or other property sold or disposed of in the ordinary course of business and on ordinary business terms).

Notwithstanding the foregoing provisions of this Section:

(a) any Subsidiary of the Borrower may be merged or consolidated with or into any Obligor;

(b) any Subsidiary of the Borrower may sell, lease, transfer or otherwise dispose of any or all of its property (upon voluntary liquidation or otherwise) to any Obligor; and

(c) the capital stock of any Subsidiary of the Borrower may be sold, transferred or otherwise disposed of to any Obligor.

SECTION 7.04 Lines of Business. The Borrower will not, nor will it permit any of its Subsidiaries to, engage to any material extent in any business other than the business of businesses of the type conducted by the Borrower and its Subsidiaries on the date of execution of this Agreement and businesses reasonably related thereto or reasonable extensions thereof.

SECTION 7.05 Investments and Capital Expenditures.

(a) The Borrower will not, nor will it permit any of its Subsidiaries to make or permit to remain outstanding any Investments except:

(i) Investments outstanding on the date hereof and identified in Part B of Schedule 3;

(ii) operating deposit accounts with banks;

(iii) Permitted Investments; and

(iv) Investments consisting of security deposits with utilities and other like Persons made in the ordinary course of business.

(b) The Borrower will not permit the aggregate amount of Capital Expenditures of the Borrower and its Subsidiaries to exceed $250,000 in any fiscal year.

SECTION 7.06 Restricted Payments. The Borrower will not, nor will it permit any of its Subsidiaries to, declare or make, or agree to pay or make, directly or indirectly, any Restricted Payment, except that (A) the Borrower may declare and pay dividends with respect to its capital stock payable solely in additional shares of its common stock, (B) the Borrower may make Restricted Payments pursuant to and in accordance with the Management Equity Rights Plan, and (C) the Borrower may make payments in connection with transactions referred to in Section 5.08(a) of the Senior Note Indenture. Nothing herein shall be deemed to prohibit the payment of dividends by any Subsidiary of the Borrower ratably in accordance with its outstanding Equity Interests.

SECTION 7.07 Transactions with Affiliates. The Borrower will not, nor will it permit any of its Subsidiaries to, sell, lease or otherwise transfer any property or assets to, or purchase, lease or otherwise acquire any property or assets from, or otherwise engage in any other transactions with, any of its Affiliates (other than Hillside or any Affiliate thereof), except (a) transactions in the ordinary course of business at prices and on terms and conditions not less favorable to the Borrower or such Subsidiary than could be obtained on an arm' s-length basis from unrelated third parties, (b) transactions between or among the Borrower and its Subsidiaries not involving any other Affiliate and (c) any Restricted Payment permitted by Section 7.06.

SECTION 7.08 Restrictive Agreements. The Borrower will not, and will not permit any of its Subsidiaries to, directly or indirectly, enter into, incur or permit to exist any agreement or other arrangement that prohibits, restricts or imposes any condition upon (a) the ability of the Borrower or any Subsidiary to create, incur or permit to exist any Lien upon any of its property or assets, or (b) the ability of any Subsidiary to pay dividends or other distributions with respect to any shares of its capital stock or to make or repay loans or advances to the Borrower or any other Subsidiary or to Guarantee Indebtedness of the Borrower or any other Subsidiary; provided that:

(i) the foregoing shall not apply to (x) restrictions and conditions imposed by law or by this Agreement, the Senior Note Indenture or the Hillside-Ampex/Sherborne Agreement, (y) restrictions and conditions existing on the date hereof identified on Schedule 2 (but shall apply to any extension or renewal of, or any amendment or modification expanding the scope of, any such restriction or condition) and (z) customary restrictions and conditions contained in agreements relating to the sale of a Subsidiary pending such sale, provided such restrictions and conditions apply only to the Subsidiary that is to be sold and such sale is permitted hereunder; and

(ii) clause (a) of the foregoing shall not apply to (x) restrictions or conditions imposed by any agreement relating to secured Indebtedness permitted by this Agreement if such restrictions or conditions apply only to the property or assets securing such Indebtedness and (y) customary provisions in leases and other contracts restricting the assignment thereof.

SECTION 7.09 Modifications of Certain Documents. The Borrower will not consent to any modification, supplement or waiver of any of the provisions of the Senior Note Indenture, the Hillside-Ampex/Sherborne Agreement or the Management Equity Rights Plan, or any agreement, instrument or other document relating thereto without the prior consent of the Lender, unless, in the case of the Senior Note Indenture, such modification, supplement or waiver is permitted by Section 5.3 of the Intercreditor Agreement.

ARTICLE VIII

EVENTS OF DEFAULT

SECTION 8.01 Events of Default. If any of the following events ("Events of Default") shall occur:

(a) the Borrower shall fail to pay any principal of any Loan when and as the same shall become due and payable, whether at the due date thereof or at a date fixed for prepayment thereof or otherwise;

(b) the Borrower shall fail to pay any interest on any Loan or any fee or any other amount (other than an amount referred to in clause (a) of this Article) payable under this Agreement, when and as the same shall become due and payable, and such failure shall continue unremedied for a period of three Business Days;

(c) any representation or warranty made or deemed made by or on behalf of the Borrower or any of its Subsidiaries in or in connection with this Agreement or any other Loan Document or any amendment or modification hereof or thereof, or any waiver hereunder or thereunder, or in any report, certificate, financial statement or other document furnished pursuant to or in connection with this Agreement or any other Loan Document or any amendment or modification hereof or thereof, or any waiver hereunder or thereunder, shall prove to have been incorrect when made or deemed made in any material respect;

(d) the Borrower shall fail to observe or perform any covenant, condition or agreement contained in Section 6.02, Section 6.03 (with respect to the Borrower' s existence), Section 6.08 or Section 6.09 (other than subsection (c)) or in Article VII or any Obligor shall default in the performance of any of its obligations contained in Section 4.02 or 5.02 of the Security Agreement;

(e) any Obligor shall fail to observe or perform any covenant, condition or agreement contained in this Agreement (other than those specified in clause (a), (b) or (d) of this Article), the Hillside-Ampex/Sherborne Agreement, the Joint Settlement Agreement (as defined in the Hillside-Ampex/Sherborne Agreement) or any other Loan Document and such failure shall continue unremedied for a period of 10 or more days after notice thereof from the Lender to the Borrower;

(f) the Borrower or any of its Subsidiaries shall fail to make any payment (whether of principal or interest and regardless of amount) in respect of any Material Indebtedness, when and as the same shall become due and payable after giving effect to any grace period applicable thereto;

(g) any event or condition occurs that results in the Senior Notes or any other Material Indebtedness becoming due prior to its scheduled maturity or that enables or permits (with or without the giving of notice, the lapse of time or both) the holder or holders of any such Indebtedness or any trustee or agent on its or their behalf to cause such Indebtedness to become due, or to require the prepayment, repurchase, redemption or defeasance thereof, prior to its scheduled maturity;

(h) an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of the Borrower or any of its Subsidiaries or its debts, or of a substantial part of its assets, under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect or (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Borrower or any of its Subsidiaries or for a substantial part of its assets, and, in any such case, such proceeding or petition shall continue undismissed for a period of 60 or more days or an order or decree approving or ordering any of the foregoing shall be entered;

(i) the Borrower or any of its Subsidiaries shall (i) voluntarily commence any proceeding or file any petition seeking liquidation, reorganization or other relief under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect, (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition described in clause (h) of this Article, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Borrower or any of its Subsidiaries or for a substantial part of its assets, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors or (vi) take any action for the purpose of effecting any of the foregoing;

(j) the Borrower or any of its Subsidiaries shall become unable, admit in writing its inability or fail generally to pay its debts as they become due;

(k) one or more judgments for the payment of money in an aggregate amount in excess of $500,000 shall be rendered against the Borrower or any of its Subsidiaries or any combination thereof and the same shall remain undischarged for a period of 30 consecutive days during which execution shall not be effectively stayed, or any action shall be legally taken by a judgment creditor to attach or levy upon any assets of the Borrower or any of its Subsidiaries to enforce any such judgment;

(l) an ERISA Event shall have occurred that, in the opinion of the Lender, when taken together with all other ERISA Events that have occurred, could reasonably be expected to result in liability of the Borrower and its Subsidiaries in an aggregate amount exceeding (i) $100,000 in any year or (ii) $500,000 for all periods;

(m) a reasonable basis shall exist for the assertion against the Borrower or any of its Subsidiaries, or any predecessor in interest of the Borrower or any of its Subsidiaries, of (or there shall have been asserted against the Borrower or any of its Subsidiaries) any claims or liabilities, whether accrued, absolute or contingent, based on or arising from the generation, storage, transport, handling or disposal of Hazardous Materials by the Borrower or any of its Subsidiaries or predecessors that, in the judgment of the Lender, are reasonably likely to be determined adversely to the Borrower or any of its Subsidiaries, and the amount thereof (either individually or in the aggregate) is reasonably likely to have a Material Adverse Effect (insofar as such amount is payable by the Borrower or any of its Subsidiaries but after deducting any portion thereof that is reasonably expected to be paid by other creditworthy Persons jointly and severally liable therefor);

(n) a Change in Control shall occur; or

(o) the Liens created by the Security Documents shall at any time not constitute a valid and perfected Lien on the collateral intended to be covered thereby (to the extent perfection by filing, registration, recordation or possession is required herein or therein) in favor of the Lender, free and clear of all other Liens (other than Liens permitted under Section 7.02 or under the respective Security Documents), or, except for expiration in accordance with its terms, any of the Security Documents shall for whatever reason be terminated or cease to be in full force and effect, or the enforceability thereof shall be contested by any Obligor;

then, and in every such event (other than an event with respect to any Obligor described in clause (h) or (i) of this Article), and at any time thereafter during the continuance of such event, the Lender may, by notice to the Borrower, take either or both of the following actions, at the same or different times: (i) terminate the Commitments, and thereupon the Commitments shall terminate immediately, and (ii) declare the Loans then outstanding to be due and payable in whole (or in part, in which case any principal not so declared to be due and payable may thereafter be declared to be due and payable), and thereupon the principal of the Loans so declared to be due and payable, together with accrued interest thereon and all fees and other obligations of the Obligors accrued hereunder, shall become due and payable immediately, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by each Obligor; and in case of any event with respect to any Obligor described in clause (h) or (i) of this Article, the Commitments shall automatically terminate and the principal of the Loans then outstanding, together with accrued interest thereon and all fees and other obligations of the Obligors accrued hereunder, shall automatically become due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by each Obligor.

SECTION 8.02 Application of Payments. Anything herein to the contrary notwithstanding, following the occurrence and during the continuance of an Event of Default, all payments received by the Lender (including any payments received in respect of optional and mandatory prepayments under Section 2.07) shall be applied as provided in Section 4.1 of the Intercreditor Agreement.

ARTICLE IX

MISCELLANEOUS

SECTION 9.01 Notices.

(a) Notices Generally. Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in paragraph (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopier, as follows:

(i) if to the Borrower or any Subsidiary Guarantor, to it at 1228 Douglas Avenue, Redwood City, CA 94063-3199, Attention of Joel Talcott (Telecopier No. (650) 367-3440; Telephone No. (650) 367-3330); and

(ii) if to the Lender, to Hillside Capital Incorporated, 405 Park Avenue, 12th Floor, New York, New York 10022, Attention of Raymond F. Weldon (Telecopier No. (212) 759-4831; Telephone No. (212) 935-6090).

Notices sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices sent by telecopier shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next business day for the recipient). Notices delivered through electronic communications to the extent provided in paragraph (b) below, shall be effective as provided in said paragraph (b).

(b) Electronic Communications. The Lender or the Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it, provided that approval of such procedures may be limited to particular notices or communications.

(c) Change of Address, Etc. Any party hereto may change its address or telecopier number for notices and other communications hereunder by notice to the other parties hereto.

SECTION 9.02 Waivers; Amendments.

(a) No Deemed Waivers; Remedies Cumulative. No failure or delay by the Lender in exercising any right or power hereunder 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 Lender hereunder are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of this Agreement or consent to any departure by any Obligor 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 Lender may have had notice or knowledge of such Default at the time.

(b) Amendments. Neither this Agreement nor any provision hereof may be waived, amended or modified except as permitted by the Intercreditor Agreement and pursuant to an agreement or agreements in writing entered into by the Borrower and the Lender.

SECTION 9.03 Expenses; Indemnity; Damage Waiver.

(a) Costs and Expenses. The Borrower shall pay (i) all reasonable out-of-pocket expenses incurred by the Lender and its Affiliates (including the reasonable fees, charges and disbursements of counsel for the Lender), in connection with the preparation, negotiation, execution, delivery and administration of this Agreement and the other Transaction Documents or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), (ii) all out-of-pocket expenses incurred by the Lender (including the fees, charges and disbursements of any counsel for the Lender) in connection with the enforcement or protection of its rights (A) in connection with this Agreement and the other Loan Documents, including its rights under this Section, or (B) in connection with the Loans made hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans and (iii) and all costs, expenses, taxes, assessments and other charges incurred in connection with any filing, registration, recording or perfection of any security interest contemplated by any Security Document or any other document referred to therein.

(b) Indemnification by the Borrower. The Borrower shall indemnify the Lender and each Related Party of the Lender (each such Person being called an "Indemnitee") 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 any Indemnitee or asserted against any Indemnitee by any third party or by the Borrower or any other Obligor arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Transaction Document or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto of their respective obligations hereunder or thereunder or the consummation of the transactions contemplated hereby or thereby, (ii) any Loan or the use or proposed use of the proceeds therefrom, (iii) any actual or alleged presence or release of Hazardous Materials on or from any property owned or operated by the Borrower or any of its Subsidiaries, or any Environmental Liability related in any way to the Borrower or any of its Subsidiaries, or (iv) any actual or

prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by the Borrower or any other Obligor, and regardless of whether 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 (x) are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee or (y) result from a claim brought by the Borrower or any other Obligor against an Indemnitee for breach in bad faith of such Indemnitee' s obligations hereunder or under any other Transaction Document, if the Borrower or such Obligor has obtained a final and nonappealable judgment in its favor on such claim as determined by a court of competent jurisdiction.

(c) Waiver of Consequential Damages, Etc. To the fullest extent permitted by applicable law, no Obligor shall assert, and each Obligor hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Transaction Document or any agreement or instrument contemplated hereby or thereby, the transactions contemplated hereby or thereby, any Loan or the use of the proceeds thereof. No Indemnitee referred to in paragraph (b) above shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed by it through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Transaction Documents or the transactions contemplated hereby or thereby.

(d) Payments. All amounts due under this Section shall be payable promptly after demand therefor.

SECTION 9.04 Successors and Assigns.

(a) Successors and Assigns Generally. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that neither the Borrower nor any other Obligor may assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Lender, and the Lender may not assign or otherwise transfer any of its rights or obligations hereunder except (i) to an assignee in accordance with the provisions of paragraph (b) of this Section, (ii) by way of participation in accordance with the provisions of paragraph (c) of this Section or (iii) by way of pledge or assignment of a security interest subject to the restrictions of paragraph (e) of this Section (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants, to the extent provided in paragraph (c) of this Section and, to the extent expressly contemplated hereby, the respective Related Parties of the Lender) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Assignment by the Lender. Subject to the provisions of Section 4.01A, the Lender may at any time assign all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans at the time owing to it) with the prior written consent of the Borrower (such consent not to be unreasonably withheld or delayed), provided that no such consent shall be required for an assignment to an Affiliate of the Lender, an Approved Fund or, if a Default has occurred and is continuing, any other Person. In the event of any such assignment, the Lender and the assignee or assignees may enter such intercreditor arrangements as they may determine to be necessary or advisable for the purpose of determining voting rights and similar issues hereunder. From and after the effective date specified in each Assignment and Assumption, the assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of the Lender under this Agreement, and the Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the Lender' s rights and obligations under this Agreement, the Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits of Section 9.03 with respect to facts and circumstances occurring prior to the effective date of such assignment.

(c) Participations. Subject to the provisions of Section 4.01A, the Lender may at any time, without the consent of, or notice to, the Borrower, sell participations to any Person (other than a natural person or the Borrower or any of the Borrower' s Affiliates or Subsidiaries) (each, a "Participant") in all or a portion of the Lender' s rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Loans owing to it); provided that (i) the Lender' s obligations under this Agreement shall remain unchanged, (ii) the Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Borrower shall continue to deal solely and directly with the Lender in connection with the Lender' s rights and obligations under this Agreement.

Any agreement or instrument pursuant to which the Lender sells such a participation shall provide that the Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that the Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver that would (i) increase or extend the term of the Commitment, (ii) extend the date fixed for the payment of principal of or interest on any Loan or any portion of any fee hereunder payable to the Participant, (iii) reduce the amount of any such payment of principal, or (iv) reduce the rate at which interest is payable thereon to a level below the rate at which the Participant is entitled to receive such interest. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 9.08 as though it were the Lender.

(d) Limitations upon Participant Rights. A Participant shall not be entitled to receive any greater payment under Section 2.09 than the Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Borrower' s prior written consent.

(e) Certain Pledges. The Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of the Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; provided that no such pledge or assignment shall release the Lender from any of its obligations hereunder or substitute any such pledgee or assignee for the Lender as a party hereto.

SECTION 9.05 Survival. All covenants, agreements, representations and warranties made by the Borrower herein and in the certificates or other instruments delivered in connection with or pursuant to this Agreement shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of this Agreement and the making of any Loans, regardless of any investigation made by any such other party or on its behalf and notwithstanding that the Lender may have had notice or knowledge of any Default or incorrect representation or warranty at the time any credit is extended hereunder, 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 this Agreement is outstanding and unpaid and so long as the Commitments have not expired or terminated. The provisions of Section 2.09, Section 3.03 and Section 9.03 shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, the repayment of the Loans, the expiration or termination of the Commitments or the termination of this Agreement or any provision hereof.

SECTION 9.06 Counterparts; Integration; Effectiveness. This Agreement 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 Agreement and the other Transaction Documents constitute the entire contract between and among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 5.01, this Agreement shall become effective when it shall have been executed by the Lender and when the Lender shall have received counterparts hereof that, when taken together, bear the signatures of each Obligor.

SECTION 9.07 Severability. Any provision of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

SECTION 9.08 Right of Setoff. If an Event of Default shall have occurred and be continuing, the Lender and each of its Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by applicable law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held and other obligations (in whatever currency) at any time owing by the Lender or any such Affiliate to or for the credit or the account of any Obligor against any and all of the obligations of such Obligor now or hereafter existing under this Agreement or any other Transaction Document to the Lender, irrespective of whether or not the Lender shall have made any demand under this Agreement or any other Transaction Document and although such obligations of such Obligor may be contingent or unmatured or are owed to a branch or office of the Lender different from the branch or office holding such deposit or obligated on such indebtedness. The rights of the Lender and its Affiliates under this Section are in addition to other rights and remedies (including other rights of setoff) that the Lender or its Affiliates may have. The Lender agrees to notify the Borrower promptly after any such setoff and application, provided that the failure to give such notice shall not affect the validity of such setoff and application.

SECTION 9.09 Governing Law; Jurisdiction; Etc.

(a) Governing Law. This Agreement shall be governed by, and construed in accordance with, the law of the State of New York, without regard to the choice of law provisions thereof.

(b) Submission to Jurisdiction. Each Obligor irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of the Supreme Court of the State of New York sitting in New York County and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement or any other Transaction Document, or for recognition or enforcement of any judgment relating thereto, and each of the parties hereto 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 court or, to the fullest extent permitted by applicable 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 in any other Transaction Document shall affect any right that the Lender may otherwise have to bring any action or proceeding relating to this Agreement or any other Transaction Document against any Obligor or its properties in the courts of any jurisdiction.

(c) Waiver of Venue. Each Obligor irrevocably and unconditionally waives, to the fullest extent permitted by applicable law, any objection that it may now or hereafter have to the laying of venue of any action or proceeding arising out of or relating to this Agreement or any other Transaction Document in any court referred to in paragraph (b) of this Section. Each of the parties hereto irrevocably waives, to the fullest extent permitted by applicable law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) Service of Process. Each party hereto irrevocably consents to service of process in the manner provided for notices in Section 9.01. Nothing in this Agreement will affect the right of any party hereto to serve process in any other manner permitted by applicable law.

SECTION 9.10 WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY IRREVOCABLY 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 OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON 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 AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

SECTION 9.11 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 shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

SECTION 9.12 Treatment of Certain Information; Confidentiality.

(a) Treatment of Certain Information. The Borrower acknowledges that from time to time financial advisory, investment banking and other services may be offered or provided to the Borrower or one or more of its Subsidiaries (in connection with this Agreement or otherwise) by the Lender or by one or more subsidiaries or affiliates of the Lender and the Borrower hereby authorizes the Lender to share any information delivered to the Lender by the Borrower and its Subsidiaries pursuant to this Agreement, or in connection with the decision of the Lender to enter into this Agreement, to any such subsidiary or affiliate, it being understood that any such subsidiary or affiliate receiving such information shall be bound by the provisions of paragraph (b) of this Section as if it were the Lender hereunder. Such authorization shall survive the repayment of the Loans, the expiration or termination of the Commitments or the termination of this Agreement or any provision hereof.

(b) Confidentiality. The Lender agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its Affiliates and to its and its Affiliates' respective partners, directors, officers, employees, agents, advisors and other representatives (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory authority purporting to have jurisdiction over it (including any self-regulatory authority, such as the National Association of Insurance Commissioners), (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) to any other party hereto, (e) in connection with the exercise of any remedies hereunder or under any other Transaction Document or any action or proceeding relating to this Agreement or any other Transaction Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement or (ii) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to the Borrower and its obligations, (g) with the consent of the Borrower or (h) to the extent such Information (x) becomes publicly available other than as a result of a breach of this Section or (y) becomes available to the Lender or any of its Affiliates on a nonconfidential basis from a source other than an Obligor.

For purposes of this Section, "Information" means all information received from any Obligor or any of its Subsidiaries relating to any Obligor or any of its Subsidiaries or any of their respective businesses, other than any such information that is available to the Lender on a nonconfidential basis prior to disclosure by an Obligor or any of its Subsidiaries; provided that, in the case of information received from an Obligor or any of its Subsidiaries after the date hereof, such information is clearly identified at the time of delivery as confidential. Any Person

required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

SECTION 9.13 USA PATRIOT Act. The Lender hereby notifies the Borrower that pursuant to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)), the Lender may be required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow the Lender to identify the Borrower in accordance with said Act.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

BORROWER

AMPEX CORPORATION

By /s/ D. Gordon Strickland
Name: D. Gordon Strickland
Title: President & Chief Executive Officer

SUBSIDIARY GUARANTORS

AMPEX DATA INTERNATIONAL CORPORATION

By /s/ Lawrence Chiarella
Name: Lawrence Chiarella
Title: President

AMPEX DATA SYSTEMS CORPORATION

By /s/ Lawrence Chiarella
Name: Lawrence Chiarella
Title: President

AMPEX FINANCE CORP.

By /s/ D. Gordon Strickland
Name: D. Gordon Strickland
Title: President

AMPEX INTERNATIONAL SALES CORPORATION

By /s/ Lawrence Chiarella
Name: Lawrence Chiarella
Title: President

LENDER

HILLSIDE CAPITAL INCORPORATED

By /s/ Raymond F. Weldon
Name: Raymond F. Weldon
Title: Managing Director

SCHEDULE 1

Material Agreements and Liens

Part A - Material Agreements

1. Amended and Restated Senior Secured Note Indenture, Senior Notes and any Guarantees or other documents related thereto, dated as of October 3, 2008, between Ampex Corporation, as Issuer, and U.S. Bank National Association, as Trustee.

2. Amended and Restated Hillside-Ampex/Sherborne Agreement, dated as of October 3, 2008, by and among (i) Ampex Corporation, and each member of the Ampex Group (as defined therein), (ii) Hillside Capital Incorporated and each other member of the Limited Hillside Group (as defined therein) and (iii) Sherborne Holdings Incorporated ("Sherborne") and each other member of the Sherborne Group (as defined therein).

3. Security deposit secured by a Letter of Credit, issued on November 15, 2007, as amended, by Comerica Bank-California, as Issuer, to Ampex Data Systems Corporation, as Applicant, for the benefit of Board of Trustees of the Leland Stanford Junior University, as Beneficiary.

4. Support Letter, dated March 3, 2008, by Ampex Corporation to Ampex Great Britain Limited, for the maintenance of support in Ampex Great Britain' s meeting its liabilities.

Part B - Liens

1. Security Agreement, dated as of October 3, 2008, between Ampex Corporation, the Borrower, each of the Subsidiary Guarantors, together with the Borrower, the Obligors, and Hillside Capital Incorporated, as Collateral Agent.

2. Security deposit secured by a Letter of Credit, issued on November 15, 2007, as amended, by Comerica Bank-California, as Issuer, to Ampex Data Systems Corporation, as Applicant, for the benefit of Board of Trustees of the Leland Stanford Junior University, as Beneficiary.

3. Lien held on specific equipment of Ampex Corporation by Xerox Corporation (UCC Statement, Initial Filing Number: 5052267 3, filed February 16, 2005) (Delaware). [Precautionary filing]

4. Lien held on specific equipment of Ampex Data Systems Corporation by U.S. Bancorp (UCC Statement, Initial Filing Number: 2005F111751, filed November 2, 2005 (Colorado). [Precautionary filing]

Schedule 1 to Credit Agreement

SCHEDULE 2

Restrictive Agreements

1. Joint Settlement Agreement, dated November 22, 1994, by and among the Pension Benefit Guaranty Corporation, the Ampex Group, the Limited Hillside Group, and the Sherborne Group.

2. Amended Hillside-Ampex/Sherborne Agreement, dated October 3, 2008, by and among the Ampex Group, the Limited Hillside Group and the Sherborne Group.

Schedule 2 to Credit Agreement

SCHEDULE 3

Subsidiaries and Investments

Part A – Subsidiaries

Subsidiary	Jurisdiction of Organization	Holders of Ownership Interests	Nature of Ownership Interest	Percentage of Such Ownership Interest
Ampex Data Systems Corporation	Delaware, U.S.A. (Domestic Subsidiary)	Borrower	Common Stock	100 %
Ampex Data International Corporation	Delaware, U.S.A. (Domestic Subsidiary)	Ampex Data Systems Corporation	Common Stock	100 %
Ampex Finance Corporation	Delaware, U.S.A. (Domestic Subsidiary)	Borrower	Common Stock	100 %
AFC Holdings Corporation	Delaware, U.S.A. (Domestic Subsidiary)	Ampex Finance Corporation	Common Stock	100 %
Ampex Holdings Corporation	Delaware, U.S.A. (Domestic Subsidiary)	Borrower	Common Stock	100 %
Ampex International Sales Corporation	California, U.S.A. (Domestic Subsidiary)	Borrower	Common Stock	100 %
Ampex Europa G.m.b.H.	Germany (Foreign Subsidiary)	Borrower	N/A	100 %
Ampex do Brasil Electronica LTDA.	Brazil (Foreign Subsidiary)	Borrower	N/A	100 %
Ampex Cintas Magneticas, S.A.	Mexico (Foreign Subsidiary)	Borrower	N/A	100 %
Ampex de Mexico, S.A. de C.V.	Mexico (Foreign Subsidiary)	Borrower	N/A	100 %
Ampex S.A.	Belgium (Foreign Subsidiary)	Borrower	N/A	100 %
Ampex de Colombia, S.A.	Colombia (Foreign Subsidiary)	Borrower	N/A	95 %
		Ampex International Sales Corporation	N/A	5 %
Ampex Great Britain Limited	United Kingdom (Foreign Subsidiary)	Ampex Data Systems Corporation	N/A	100 %

Ampex Japan, LTD.	Japan (Foreign Subsidiary)	Ampex Data Systems Corporation	Common Stock	100 %

Part B – Investments

Ampex Corporation owns a 1.5% minority shareholder interest in CyberNet Systems.

Ampex Corporation owns a 35% minority shareholder interest in TV1 Internet Television G.m.b.H.

Ampex Corporation has investments in its existing Subsidiaries.

Schedule 3 to Credit Agreement

Part C – Excluded Subsidiaries

Subsidiary	Jurisdiction of Organization	Holders of Ownership Interests	Nature of Ownership Interest	Nature and Percentage of Such Ownership Interest
AFC Holdings Corporation	Delaware, U.S.A. (Domestic Subsidiary)	Ampex Finance Corporation	Common Stock	100 %
Ampex Holdings Corporation	Delaware, U.S.A. (Domestic Subsidiary)	Borrower	Common Stock	100 %
Ampex Europa G.m.b.H.	Germany (Foreign Subsidiary)	Borrower	N/A	100 %
Ampex do Brasil Electronica LTDA.	Brazil (Foreign Subsidiary)	Borrower	N/A	100 %
Ampex Cintas Magneticas, S.A.	Mexico (Foreign Subsidiary)	Borrower	N/A	100 %
Ampex de Mexico, S.A. de C.V.	Mexico (Foreign Subsidiary)	Borrower	N/A	100 %
Ampex S.A.	Belgium (Foreign Subsidiary)	Borrower	N/A	100 %
Ampex de Colombia, S.A.	Colombia (Foreign Subsidiary)	Borrower	N/A	95 %
		Ampex International Sales Corporation	N/A	5 %
Ampex Great Britain Limited	United Kingdom (Foreign Subsidiary)	Ampex Data Systems Corporation	N/A	100 %
Ampex Japan, LTD.	Japan (Foreign Subsidiary)	Ampex Data Systems Corporation	Common Stock	100 %

Schedule 3 to Credit Agreement

SCHEDULE 4

Litigation

Possible proceedings involving the Borrower and its Subsidiary Guarantors and the State of California and its agencies, including the State of California Franchise Tax Board, relating to those certain (i) proofs of claim numbered 586, 587, 588, 589, 590, 591 and 592 filed on September 26, 2008 by the State of California Franchise Tax Board in the aggregate amount of $1,762,335.02 against the Borrower and its Subsidiary Guarantors, which are inclusive of (ii) claims asserted by the State of California Franchise Tax Board against the Borrower and its Subsidiary Guarantors in that certain letter dated September 24, 2008.

Schedule 4 to Credit Agreement

SCHEDULE 5

Environmental

None.

Schedule 5 to Credit Agreement

SCHEDULE 6

Letters of Credit

Letter of Credit issued on November 15, 2007, as amended, for $1,273,937.28, by Comerica Bank-California, as Issuer, to Ampex Data Systems Corporation, as Applicant, for the benefit of Board of Trustees of the Leland Stanford Junior University, as Beneficiary.

Letter of Credit, issued on November 15, 2007, as amended, for $37,614.60, by Comerica Bank-California, as Issuer, to Ampex Data Systems Corporation, as Applicant, for the benefit of Board of Trustees of the Leland Stanford Junior University, as Beneficiary.

Schedule 6 to Credit Agreement

SCHEDULE 7

Good Standing Exceptions

The Secretary of State of Delaware issued a certificate of existence for Ampex Corporation as of September 25, 2008 that indicates that Ampex Corporation has filed a petition under Chapter 11 of the United States Bankruptcy Code and that all franchise taxes, except certain pre-petition franchise taxes have been paid to date. The amount of such unpaid franchise taxes as of the date hereof is $40,573.83.

The State of California and its agencies, including the California Franchise Tax Board, have asserted certain claims against the Borrower and the Subsidiary Guarantors in the aggregate amount of $1,762,335.02.

Schedule 7 to Credit Agreement

[FORM OF SECURITY AGREEMENT]

Exhibit A to Credit Agreement

[FORM OF INTERCREDITOR AGREEMENT]

Exhibit B to Credit Agreement

FORM OF GUARANTEE ASSUMPTION AGREEMENT

REFERENCE IS MADE TO THE COLLATERAL AGENCY AND INTERCREDITOR AGREEMENT DATED AS OF OCTOBER 3, 2008 (AS AMENDED, RESTATED, SUPPPLEMENTED OR OTHERWISE MODFIED FROM TIME TO TIME, THE "INTERCREDITOR AGREEMENT"), BY AND AMONG THE BORROWER (AS DEFINED BELOW), THE SUBSDIARY GUARANTORS (AS DEFINED BELOW), HILLSIDE CAPITAL INCORPORATED ("HILLSIDE"), IN ITS CAPACITY AS COLLATERAL AGENT FOR THE FIRST LIEN CLAIMHOLDERS AND THE SECOND LIEN CLAIMHOLDERS (AS SUCH TERMS ARE DEFINED IN THE INTERCREDITOR AGREEMENT), U.S. BANK NATIONAL ASSOCIATION IN ITS CAPACITY AS INDENTURE TRUSTEE UNDER THE INDENTURE FOR THE 12% SENIOR SECURED NOTES DUE 2009 OF THE BORROWER, AND HILLSIDE, AS LENDER UNDER THE CREDIT AGREEMENT REFERRED TO BELOW. NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, THE LIENS AND SECURITY INTERESTS GRANTED TO THE COLLATERAL AGENT FOR THE BENEFIT OF THE CLAIMHOLDERS PURSUANT TO THIS AGREEMENT AND THE EXERCISE OF ANY RIGHT OR REMEDY BY THE COLLATERAL AGENT AND THE OTHER CLAIMHOLDERS UNDER THE SECURITY AGREEMENT (AS DEFINED BELOW) ARE SUBJECT TO THE PROVISIONS OF THE INTERCREDITOR AGREEMENT. IN THE EVENT OF ANY CONFLICT BETWEEN THE TERMS OF THE INTERCREDITOR AGREEMENT AND THIS AGREEMENT, THE TERMS OF THE INTERCREDITOR AGREEMENT SHALL GOVERN.

GUARANTEE ASSUMPTION AGREEMENT dated as of [_____] __, 20[__] by [_____], a [_____] (the "Additional Subsidiary Guarantor"), in favor of Hillside Capital Incorporated, as (i) lender under and as defined in the Credit Agreement referred to below (in such capacity, together with its successors in such capacity, the "Lender") and (ii) collateral agent under and as defined in the Security Agreement referred to below (in such capacity, together with its successors in such capacity, the "Collateral Agent").

Ampex Corporation (the "Borrower"), the Subsidiary Guarantors referred to therein (the "Subsidiary Guarantors") and the Lender are parties to a Credit Agreement dated as of October 3, 2008 (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement") pursuant to which the Subsidiary Guarantors have guaranteed the Loans made or deemed made by the Lender to the Borrower. The Borrower, the Subsidiary Guarantors and the Collateral Agent are parties to a Security Agreement dated as of October 3, 2008 (as amended, restated, supplemented or otherwise modified from time to time, the "Security Agreement") pursuant to which the Borrower and the Subsidiary Guarantors have granted liens in favor of the Collateral Agent, as collateral security for the Secured Obligations. Capitalized terms used herein, unless otherwise defined herein, shall have the meanings ascribed thereto in the Security Agreement or, if not defined therein, in the Credit Agreement.

Exhibit C to Credit Agreement

Pursuant to Section 6.09(a) of the Credit Agreement and Section 6.11 of the Security Agreement, the Additional Subsidiary Guarantor hereby agrees to become a "Subsidiary Guarantor" and an "Obligor", under and for all purposes of the Credit Agreement and the Security Agreement, and each of the Annexes to the Security Agreement shall be deemed to be supplemented in the manner specified in Appendix A hereto. Without limiting the foregoing, (a) the Additional Subsidiary Guarantor hereby, jointly and severally with the other Subsidiary Guarantors, guarantees to the Lender and its respective successors and assigns the prompt payment in full when due (whether at stated maturity, by acceleration or otherwise) of the Loans in the same manner and to the same extent as is provided in Article III of the Credit Agreement and (b) as collateral security for the payment in full when due (whether at stated maturity, by acceleration or otherwise) of the Secured Obligations of the Additional Subsidiary Guarantor, the Additional Subsidiary Guarantor hereby pledges and grants to the Collateral Agent for the benefit of the Secured Parties as provided in the Security Agreement a security interest in all of such Additional Subsidiary Guarantor' s right, title and interest in, to and under the Collateral.

In addition, the Additional Subsidiary Guarantor hereby makes the representations and warranties set forth in Article IV of the Credit Agreement and in Section 2 of the Security Agreement with respect to itself and its obligations under the Credit Agreement and the Security Agreement, respectively, as if each reference in such Article and in such Section included reference to this Agreement.

The Additional Subsidiary Guarantor hereby instructs its counsel to deliver any opinions to the Lender and to the Collateral Agent required to be delivered in connection with the execution and delivery hereof.

Exhibit C to Credit Agreement

IN WITNESS WHEREOF, the Additional Subsidiary Guarantor has caused this Guarantee Assumption Agreement to be duly executed and delivered as of the day and year first above written.

[NAME OF ADDITIONAL SUBSIDIARY
GUARANTOR]

By: _____
Name:
Title:

Accepted and agreed:
HILLSIDE CAPITAL CORPORATION,
as Lender

By:

_____
Name:
Title:

HILLSIDE CAPITAL CORPORATION,
as Collateral Agent

By:

_____
Name:
Title:

Exhibit C to Credit Agreement

SUPPLEMENTS TO ANNEXES TO SECURITY AGREEMENT

Supplement to Annex [ ]:

[to be completed]

Exhibit C to Credit Agreement

EXHIBIT 10.3

SECURITY AGREEMENT

REFERENCE IS MADE TO THE INTERCREDITOR AGREEMENT REFERRED TO BELOW. NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, THE LIENS AND SECURITY INTERESTS GRANTED TO THE COLLATERAL AGENT FOR THE BENEFIT OF THE CLAIMHOLDERS PURSUANT TO THIS AGREEMENT AND THE EXERCISE OF ANY RIGHT OR REMEDY BY THE COLLATERAL AGENT AND THE OTHER CLAIMHOLDERS HEREUNDER ARE SUBJECT TO THE PROVISIONS OF THE INTERCREDITOR AGREEMENT. IN THE EVENT OF ANY CONFLICT BETWEEN THE TERMS OF THE INTERCREDITOR AGREEMENT AND THIS AGREEMENT, THE TERMS OF THE INTERCREDITOR AGREEMENT SHALL GOVERN.

SECURITY AGREEMENT dated as of October 3, 2008, between AMPEX CORPORATION, a corporation duly organized and validly existing under the laws of Delaware (the "Borrower"); each of the Subsidiaries of the Borrower identified under the caption "SUBSIDIARY GUARANTORS" on the signature pages hereto (each individually, a "Subsidiary Guarantor" and, collectively, the "Subsidiary Guarantors"); each ADDITIONAL OBLIGOR that may become a party hereto after the date hereof in accordance with Section 6.11 (an "Additional Obligor", together with the Borrower and each Subsidiary Guarantor, the "Obligors" and each individually, an "Obligor"); and HILLSIDE CAPITAL INCORPORATED, as collateral agent for the Claimholders (as hereinafter defined) (in such capacity, together with its successors in such capacity, the "Collateral Agent").

The Borrower, the Subsidiary Guarantors and Hillside Capital Incorporated ("Hillside") are parties to a Credit Agreement dated as of October 3, 2008 (as modified and supplemented and in effect from time to time, the "Credit Agreement") providing, subject to the terms and conditions thereof, for loans to be made (and for loans to be deemed to be made) by Hillside to the Borrower.

The Borrower, the Subsidiary Guarantors and U.S. Bank National Association, as trustee (in such capacity, the "Senior Note Trustee"), are parties to an Indenture dated as of October 3, 2008 (as modified and supplemented and in effect from time to time, the "Indenture"), providing, subject to the terms and conditions thereof, for the issuance of senior secured notes by the Borrower.

The Borrower, the Subsidiary Guarantors, Hillside, the Senior Note Trustee and the Collateral Agent are parties to an Intercreditor Agreement dated as of October 3, 2008 (as modified and supplemented and in effect from time to time, the "Intercreditor Agreement") providing for, among other things, the relative priorities of the security interests granted by this Agreement and the appointment of the Collateral Agent to act as agent for the Claimholders referred to therein.

To induce said Claimholders to enter into the Transaction Documents referred to in the Intercreditor Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each Obligor has agreed to pledge and grant (1) a security interest in the First Lien Collateral (as hereinafter defined) as security for the First Lien Secured Obligations (as so defined) and (2) a security interest in the Second Lien Collateral (as hereinafter defined) as security for the Second Lien Secured Obligations (as so defined). Accordingly, the parties hereto agree as follows:

Section 1. Definitions, Etc.

1.01 Terms Generally. Terms used herein and not otherwise defined herein are used herein as defined in the Intercreditor Agreement.

1.02 Certain Uniform Commercial Code Terms. The terms "Accession", "Account", "Chattel Paper", "Commercial Tort Claims", "Commodity Account", "Commodity Contract", "Document", "Electronic Chattel Paper", "Equipment", "Fixture", "General Intangible", "Goods", "Instrument", "Inventory", "Investment Property", "Letter-of-Credit Right", "Payment Intangible", "Proceeds", "Promissory Note", "Record", "Software" and "Supporting Obligation" have the respective meanings assigned thereto in Article 9 of the NYUCC. The terms "Entitlement Holder", "Financial Asset", "Security", "Securities Account" and "Security Entitlement" have the respective meanings assigned thereto in Article 8 of the NYUCC. The term "Money" has the meaning assigned thereto in Article 1 of the NYUCC.

1.03 Additional Definitions. In addition, as used herein:

"Agreement" or "Security Agreement" means this security agreement.

"Bailee Collateral" means certificated securities, tangible chattel paper, instruments and goods evidenced by a negotiable document.

"Claimholders" means, collectively, the First Lien Claimholders and the Second Lien Claimholders.

"Collateral" means the First Lien Collateral and/or the Second Lien Collateral, as applicable.

"Collateral Account" has the meaning assigned to such term in Section 4.01(a).

"Copyright Collateral" means all Copyrights, whether now owned or hereafter acquired by any Obligor, including, but not limited to, each registered Copyright identified in Annex 4.

"Copyrights" means all copyrights, copyright registrations and applications for copyright registrations, including all renewals and extensions thereof, all rights to recover for past, present or future infringements thereof and all other rights whatsoever accruing thereunder or pertaining thereto.

"Default" means a "Default" under the Indenture and/or the Credit Agreement.

"Deposit Account" has the meaning provided in Section 9-102(a)(29) of the NYUCC except in no event shall it include any deposit account (i) of which all or a substantial portion of the funds on deposit are used for funding (a) payroll, (b) 401(k) and other retirement plans and employee benefits, and (c) escrow arrangements, (ii) where the balance of such deposit account is swept at the end of each Business Day into a Deposit Account subject to a control agreement, and (iii) (not already subject to these provisions) with an aggregate average daily balance of all funds in all such other deposit accounts for all Obligors not in excess of $100,000 at any time.

"Event of Default" means an "Event of Default" under the Indenture and/or the Credit Agreement.

"Excluded Foreign Subsidiary" means each of the Foreign Subsidiaries of the Borrower listed in Annex 12 hereto.

"First Lien Claimholders" means, at any relevant time, the holders of First Lien Secured Obligations at such time, including without limitation the First Lien Trustee and the First Lien Noteholders or any Affiliate of the First Lien Trustee or any First Lien Noteholder.

"First Lien Collateral" has the meaning assigned to such term in Section 3(i).

"First Lien Credit Documents" means the First Lien Indenture, the First Lien Notes, this Agreement and each of the other agreements, documents and instruments providing for or evidencing any other First Lien Secured Obligation, and any other document or instrument executed or delivered at any time in connection with any First Lien Secured Obligations, including any intercreditor or joinder agreement among holders of First Lien Secured Obligations, to the extent such are effective at the relevant time, as each may be modified from time to time in accordance with the terms of the Intercreditor Agreement; provided that any such modification does not increase the principal amount of First Lien Secured Obligations permitted under the Intercreditor Agreement.

"First Lien Noteholders" means the holder of any note issued under the Indenture.

"First Lien Secured Obligations" means the First Lien Notes in an aggregate principal amount at any one time outstanding of up to $3,658,080, as such principal amount may be increased by amendments complying with Section 5.3(a) of the Intercreditor Agreement, and all other obligations, liabilities and indebtedness of every kind, nature and description owing by the Grantors to the First Lien Claimholders and/or any of their respective affiliates under or in connection with the First Lien Credit Documents (as in effect on the date hereof or amended in accordance with the terms hereof), including interest, charges, fees, costs, indemnities and expenses, however evidenced, whether as principal, surety, endorser, guarantor or otherwise, whether now existing or hereafter arising, whether arising before, during or after the commencement of an Insolvency or Liquidation Proceeding (including the payment of interest and other amounts which would accrue and become due but for the commencement of such Insolvency or Liquidation Proceeding, whether or not such amounts are allowed or allowable in whole or in part in such Insolvency or Liquidation Proceeding), whether direct or indirect, absolute or contingent, joint or several, due or not due, primary or secondary, liquidated or unliquidated, secured or unsecured, and however acquired by the First Lien Claimholders. To the extent any payment with respect to the First Lien Secured Obligations (whether by or on behalf of any Grantor, as proceeds of security, enforcement of any right of set-off or otherwise) is declared to be fraudulent or preferential in any respect, set aside or required to be paid to a debtor in possession, trustee, receiver or similar Person, then the obligation or part thereof originally intended to be satisfied shall be deemed to be reinstated and outstanding as if such payment had not occurred.

"Foreign Subsidiary" has the meaning assigned to such term in the Credit Agreement and the Indenture.

"Grant" means a Grant of Trademark Security Interest, substantially in the form of Exhibit I annexed hereto, and a Grant of Patent Security Interest, substantially in the form of Exhibit II annexed hereto, and a Grant of Copyright Security Interest, substantially in the form of Exhibit III annexed hereto.

"Initial Pledged Shares" means the Shares of each Issuer beneficially owned by any Obligor on the date hereof and identified in Annex 3 (Part A).

"Intellectual Property" means, collectively, all Copyright Collateral, all Patent Collateral and all Trademark Collateral, together with (a) all inventions, processes, production methods, proprietary information, know-how and trade secrets; (b) all licenses or user or other agreements granted to any Obligor with respect to any of the foregoing, in each case whether now or hereafter owned or used; (c) all customer lists, supplier lists, data, plans, blueprints, specifications, designs, drawings, recorded knowledge, surveys, engineering reports, test reports, manuals, materials standards, computer and automatic machinery software and programs; (d) all field repair data, sales data and other proprietary information relating to sales or service of products now or hereafter manufactured; (e) all accounting information and all media in which or on which any information or knowledge or data or records may be recorded or stored and all computer programs used for the compilation or printout of such information, knowledge, records or data; (f) all licenses, consents, permits, variances, certifications and approvals of governmental agencies now or hereafter held by any Obligor; (g) all causes of action, claims and warranties now or hereafter owned or acquired by any Obligor in respect of any of the items listed above; and (h) all proceeds in respect of any of the items listed above (such as, by way of example and not by limitation, license royalties).

"Issuers" means, collectively, (a) the respective Persons identified next to the names of the Obligors on Annex 3 (Part A) under the caption "Issuer", (b) any other Person that shall at any time be a Subsidiary of any Obligor other than an Excluded Foreign Subsidiary, and (c) the issuer of any equity securities hereafter owned by any Obligor.

"Motor Vehicles" means motor vehicles, tractors, trailers and other like property, whether or not the title thereto is governed by a certificate of title or ownership.

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

"Patent Collateral" means all Patents, whether now owned or hereafter acquired by any Obligor, including, but not limited to, each Patent identified in Annex 5.

"Patents" means all patents and patent applications and rights and interests in patents and patent applications, including the inventions and improvements described and claimed therein together with the reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof, all income, royalties, damages and payments now or hereafter due and/or payable with respect thereto, all damages and payments for past or future infringements thereof and rights to sue therefor, and all rights corresponding thereto throughout the world.

"Permitted Encumbrances" has the meaning assigned to such term in Section 2.01.

"Permitted Investment" has, until the Discharge of the First Lien Secured Obligations, the meaning assigned to such term in the Indenture, and thereafter, the meaning assigned to such term in the Credit Agreement.

"Pledged Shares" means, collectively, (i) the Initial Pledged Shares and all other Shares of any Issuer now or hereafter owned by any Obligor other than Voting Stock described under clause (C) of the definition of Excluded Collateral, together in each case with (a) all certificates representing the same, (b) all shares, securities, moneys or other property representing a dividend on or a distribution or return of capital on or in respect of the Pledged Shares, or resulting from a split-up, revision, reclassification or other like change of the Pledged Shares or otherwise received in exchange therefor, and any warrants, rights or options issued to the holders of, or otherwise in respect of, the Pledged Shares, and (c) without prejudice to any provision of any of the Transaction Documents prohibiting any merger or consolidation by an Issuer, all Shares of any successor entity of any such merger or consolidation.

"Second Lien Claimholders" means, at any relevant time, the holders of Second Lien Secured Obligations at such time, including without limitation the Second Lien Lender or any Affiliate of the Second Lien Lender under the Credit Agreement.

"Second Lien Collateral" has the meaning assigned to such term in Section 3(ii).

"Second Lien Credit Documents" means the Second Lien Credit Agreement, the Security Agreement, the Hillside-Ampex/ Sherborne Agreement, the other Loan Documents and each of the other agreements, documents and instruments providing for or evidencing any other Second Lien Secured Obligation, and any other document or instrument executed or delivered at any time in connection with any Second Lien Secured Obligations, including any intercreditor or joinder agreement among holders of Second Lien Secured Obligations, to the extent such are effective at the relevant time, as each may be modified or Refinanced from time to time in accordance with the terms of the Intercreditor Agreement; provided that any such modification does not increase the principal amount thereof beyond the aggregate principal amount of Second Lien Secured Obligations permitted under the Intercreditor Agreement on the date hereof.

"Second Lien Lender" means the "Lender" under and as defined in the Credit Agreement.

"Second Lien Secured Obligations" means all "Loans" outstanding under and as defined in the Credit Agreement and the other Second Lien Credit Documents, an aggregate principal amount at any one time outstanding of up to $25,000,000, as such principal amount may be increased by amendments complying with Section 5.3(b) of the Intercreditor Agreement, the Series A Preferred Stock (as defined in the Hillside-

Ampex/Sherborne Agreement), the guarantees by the Subsidiary Guarantors of the Loans and of the Series A Preferred Stock contained in the Hillside-Ampex/Sherborne Agreement executed and delivered in connection with the Credit Agreement, and all other obligations, liabilities and indebtedness of every kind, nature and description owing by the Grantors to the Second Lien Claimholders and/or any of their respective affiliates under or in connection with the Second Lien Credit Documents (as in effect on the date hereof or amended in accordance with the terms thereof and hereof), including interest, charges, fees, costs, indemnities and expenses, however evidenced, whether as principal, surety, endorser, guarantor or otherwise, whether now existing or hereafter arising, whether arising before, during or after the initial or any renewal term of the Credit Agreement or after the commencement of an Insolvency or Liquidation Proceeding (including the payment of interest and other amounts which would accrue and become due but for the commencement of such Insolvency or Liquidation Proceeding, whether or not such amounts are allowed or allowable in whole or in part in such Insolvency or Liquidation Proceeding), whether direct or indirect, absolute or contingent, joint or several, due or not due, primary or secondary, liquidated or unliquidated, secured or unsecured, and however acquired by the Second Lien Claimholders. To the extent any payment with respect to the Second Lien Secured Obligations (whether by or on behalf of any Grantor, as proceeds of security, enforcement of any right of set-off or otherwise) is declared to be fraudulent or preferential in any respect, set aside or required to be paid to a debtor in possession, trustee, receiver or similar Person, then the obligation or part thereof originally intended to be satisfied shall be deemed to be reinstated and outstanding as if such payment had not occurred.

"Secured Obligations" means the First Lien Secured Obligations and the Second Lien Secured Obligations.

"Securities Act" has the meaning assigned to such term in Section 5.05(b).

"Shares" means shares of capital stock of a corporation, limited liability company interests, partnership interests and other ownership or equity interests of any class in any Person.

"Trademark Collateral" means all Trademarks, whether now owned or hereafter acquired by any Obligor, including, but not limited to, each Trademark identified in Annex 6, together, in each case, with the product lines and goodwill of the business connected with the use of, and symbolized by, each such trade name, trademark and service mark. Notwithstanding the foregoing, the Trademark Collateral does not and shall not include any Trademark that would be rendered invalid, abandoned, void or unenforceable by reason of its being included as part of the Trademark Collateral.

"Trademarks" means all trade names, trademarks and service marks, logos, designs, indicia, trade dress, corporate names, company names, business names, fictitious business names, trade styles and/or other source and/or business identifiers, trademark and service mark registrations, and applications for trademark and service mark registrations, including all renewals of trademark and service mark registrations, all rights to recover for all past, present and future infringements thereof and all rights to sue therefor, and all rights corresponding thereto throughout the world.

"Uniform Commercial Code" shall mean the Uniform Commercial Code as in effect from time to time in the State of New York; provided, however, that, at any time, if by reason of mandatory provisions of law, any or all of the perfection or priority of the Collateral Agent' s security interest in any item or portion of the Collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other than the State of New York, the term "Uniform Commercial Code" shall mean the Uniform Commercial Code as in effect, at such time, in such other jurisdiction for purposes of the provisions hereof relating to such perfection or priority and for purposes of definitions relating to such provisions.

"Voting Stock" has the meaning assigned to such term in the Credit Agreement and the Indenture.

Section 2. Representations and Warranties. Each Obligor represents and warrants to the Claimholders and the Collateral Agent that:

2.01 Title. Such Obligor is the sole beneficial owner of the Collateral in which it purports to grant the security interests pursuant to Section 3 (other than Intellectual Property in relation to which such Obligor is the joint beneficial owner) and no Lien exists upon such Collateral (and no right or option to acquire the same exists in favor of any other Person) other than (a) the security interests created or provided for herein, which security interests constitute a valid first and prior perfected Lien on the Collateral, other than (i) Money not held in a Deposit Account (ii) Commercial Tort Claims not listed in Annex 7 hereto, and (iii) as otherwise provided for herein (subject to the terms of the Intercreditor Agreement) and (b) the Liens expressly permitted by Section 7.02 of the Credit Agreement and Section 5.06 of the Indenture (the "Permitted Encumbrances").

2.02 Names, Etc. The full and correct legal name, type of organization, jurisdiction of organization, organizational ID number (if applicable) and mailing address of each Obligor as of the date hereof are correctly set forth in Annex 1. Annex 1 correctly specifies the place of business of each Obligor or, if such Obligor has more than one place of business, the location of the chief executive office of such Obligor.

2.03 Changes in Circumstances. Such Obligor has not (a) within the period of four months prior to the date hereof, changed its location (as defined in Section 9-307 of the NYUCC), (b) except as specified in Annex 1, heretofore changed its name, or (c) except as specified in Annex 2, heretofore become a "new debtor" (as defined in Section 9-102(a)(56) of the NYUCC) with respect to a currently effective security agreement previously entered into by any other Person.

2.04 Pledged Shares. The Initial Pledged Shares constitute (a) 100% of the issued and outstanding Shares of each Issuer other than a Foreign Subsidiary beneficially owned by such Obligor on the date hereof (other than any Shares held in a Securities Account referred to in Annex 8), whether or not registered in the name of such Obligor and (b) in the case of each Issuer that is a first tier Foreign Subsidiary, (i) 65% of the issued and outstanding shares of Voting Stock of such Issuer and (ii) 100% of all other issued and outstanding Shares of whatever class of each Issuer beneficially owned by such Obligor on the date hereof (other than any constituting Investment Property held in a Securities Account referred to in Annex 8), in each case whether or not registered in the name of such Obligor (or, in the case of any supplement to Annex 3 effecting a pledge thereof, as of the date of such supplement). Annex 3 (Part A) correctly identifies, as at the date hereof, the respective Issuers of the Initial Pledged Shares, and (in the case of any corporate Issuer) the respective class and par value of such Shares and the respective number of such Shares (and registered owners thereof) represented by each such certificate.

The Initial Pledged Shares, and all other Pledged Shares in which such Obligor shall hereafter grant security interests pursuant to Section 3 will be duly authorized, validly issued, fully paid and non-assessable (except as such rights may arise under mandatory provisions of applicable statutory law that may not be waived or otherwise agreed and not as a result of any rights contained in any organizational documents). None of the Pledged Shares are or will be subject to any effective contractual restriction, or any restriction under the charter, by-laws, partnership agreement or other organizational instrument of the respective Issuer thereof, upon the transfer of such Pledged Shares. There are no outstanding warrants, options or other rights to purchase, or other agreements outstanding with respect to, or property that is now or hereafter convertible into, or that requires the issuance or sale of, any Pledged Shares except as may be permitted by the Transaction Documents (as defined in the Credit Agreement and the Indenture).

2.05 Promissory Notes. Annex 3 (Part B) sets forth a complete and correct list of all promissory notes (other than any constituting Investment Property held in a Securities Account referred to in Annex 8) held by any Obligor on the date hereof having an aggregate principal amount in excess of $10,000.

2.06 Intellectual Property. Annexes 4, 5 and 6, respectively, set forth under the name of such Obligor a complete and correct list of all copyright registrations, patents, patent applications, trademark registrations and trademark applications owned by such Obligor on the date hereof (or, in the case of any supplement to Annexes 4, 5 and 6 upon the execution and delivery of a Guarantee Assumption Agreement or other supplement effecting a pledge thereof, as of the date of such supplement).

Except pursuant to licenses and other user agreements entered into by such Obligor in the ordinary course of business that are listed in Annexes 4, 5 and 6 (including as supplemented pursuant to any Guarantee Assumption Agreement or by any other supplement effecting a pledge thereof), such Obligor has done nothing to authorize or enable any other Person to use any Copyright, Patent or Trademark listed in Annexes 4, 5 and 6 (as so supplemented), and all registrations listed in Annexes 4, 5 and 6 (as so supplemented) are, except as noted therein, in full force and effect.

To such Obligor' s knowledge, (i) except as set forth in Annexes 4, 5 and 6 (as supplemented pursuant to any Guarantee Assumption Agreement or by any other supplement effecting a pledge thereof), there is no violation by others of any right of such Obligor with respect to any Copyright, Patent or Trademark listed in Annexes 4, 5 and 6 (as so supplemented), respectively, under the name of such Obligor and (ii) such Obligor is not infringing in any respect upon any Copyright, Patent or Trademark of any other Person; and no proceedings alleging such infringement have been instituted or are pending against such Obligor and no written claim against such Obligor has been received by such Obligor, alleging any such violation, except as may be set forth in Annexes 4, 5 and 6 (as so supplemented). Such Obligor does not, as at the date hereof, own any Trademarks registered in the United States of America to which the last sentence of the definition of Trademark Collateral applies.

2.07 Commercial Tort Claims. Annex 7 sets forth a complete and correct list of all Commercial Tort Claims of such Obligor in existence on the date hereof that have been asserted in judicial proceedings.

2.08 Deposit, Securities and Commodity Accounts. Annex 8 sets forth a complete and correct list of all Deposit Accounts, Securities Accounts and Commodities Accounts of such Obligor on the date hereof.

2.09 Delivery of Certain Collateral. All certificates or Instruments (excluding checks) with a value in excess of $100,000 individually or $500,000 in the aggregate, evidencing, comprising or representing the Collateral, have been delivered to the Collateral Agent duly endorsed or accompanied by duly executed instruments of transfer or assignment in blank.

2.10 Chattel Paper. Such Obligor has no interest in any Chattel Paper with a value in excess of $100,000 individually or $500,000 in the aggregate, except as set forth in Annex 9, as updated from time to time.

2.11 Letter-of-Credit Rights. Such Obligor has no interest in any Letter-of-Credit Rights with a value in excess of $1,500,000 individually or $3,000,000 in the aggregate, except as set forth on Annex 10, as updated from time to time.

2.12 Documents. No negotiable Documents are outstanding with respect to any of the Inventory with a value in excess of $100,000 individually or $500,000 in the aggregate, except as set forth on Annex 11, as updated from time to time.

2.13 Motor Vehicles. On the date hereof, the aggregate book value of all Motor Vehicles owned by all Obligors is less than $100,000.

The representations and warranties as to the information set forth in the Annexes are made as to each Obligor (other than any Additional Obligor that may become an "Obligor" in accordance with Section 6.11) as of the date hereof and as to each Additional Obligor that may become an "Obligor" in accordance with Section 6.11 as of the date of the applicable Guarantee Assumption Agreement, except that, in the case any supplement to this Agreement or notice delivered pursuant to Section 5.04(d), such representations and warranties are made as of the date of such supplement or notice.

Section 3. Collateral.

(i) First Lien Collateral. As collateral security for the payment in full when due (whether at stated maturity, by required payment, by declaration, by acceleration, demand or otherwise) of the First Lien Secured Obligations, each Obligor hereby pledges and grants to the Collateral Agent for the benefit of the First Lien Claimholders a security interest in all of such Obligor' s right, title and interest in, to and under the following property, in each case whether tangible or intangible, wherever located, and whether now owned by such Obligor or hereafter acquired and whether now existing or hereafter coming into existence (all of the property described in this Section 3(i) being collectively referred to herein as "First Lien Collateral"):

(a) all Accounts;

(b) all Chattel Paper (whether tangible or electronic);

(c) all Money and all Deposit Accounts, together with all amounts on deposit from time to time in such Deposit Accounts;

(d) all Documents;

(e) all Equipment;

(f) all Fixtures;

(g) all General Intangibles;

(h) all Goods not covered by the other clauses of this Section 3(i);

(i) all Instruments, including all Promissory Notes;

(j) all Intellectual Property;

(k) all Inventory;

(l) all Investment Property not covered by other clauses of this Section 3(i), including all Securities, all Securities Accounts and all Security Entitlements with respect thereto and Financial Assets carried therein, and all Commodity Accounts and Commodity Contracts;

(m) all Letter-of-Credit Rights and other Supporting Obligations;

(n) all Payment Intangibles;

(o) the Pledged Shares;

(p) all Software;

(q) all Commercial Tort Claims, including those arising out of the events described in Annex 7;

(r) the Collateral Account and any money or other property therein;

(s) all Records;

(t) all other tangible and intangible personal property whatsoever of such Obligor; and

(u) all Proceeds of any of the First Lien Collateral, all Accessions to and substitutions and replacements for any of the First Lien Collateral, and all offspring, rents, profits and products of any of the First Lien Collateral, and, to the extent related to any First Lien Collateral, all books, correspondence, credit files, records, invoices and other papers (including all tapes, cards, computer runs and other papers and documents in the possession or under the control of such Obligor or any computer bureau or service company from time to time acting for such Obligor),

IT BEING UNDERSTOOD, HOWEVER, that in no event shall the First Lien Collateral include the following ("Excluded Collateral") (A) general or limited partnership interests in a general or limited partnership, in excess of the maximum extent permitted under the applicable organizational instrument pursuant to which such partnership is formed, (B) any lease, license, contract, property rights or agreement to which any Obligor is a party (or to any of its rights or interests thereunder) if the grant of such security interest would constitute or result in either (i) the abandonment, invalidation or unenforceability of any right, title or interest of any Obligor therein or (ii) in a breach or termination pursuant to the terms of, or a default under, any such lease, license, contract, property rights or agreement (other than, to the extent that any such term would be rendered ineffective by Section 9-406, 9-407, 9-408 or 9-409 of the Uniform Commercial Code as in effect in the relevant jurisdiction), (C) Voting Stock of any Issuer that is a Foreign Subsidiary in excess of 65% of the aggregate issued and outstanding Voting Stock of such Issuer, (D) any letter of credit rights for a specified purpose to the extent Obligor is required by applicable law to apply the proceeds of such letter of credit rights for a specified purpose, (E) assets subject to purchase money financing or capital leases permitted under the Credit Agreement and the Indenture to the extent that the governing contractual arrangements expressly prohibit the granting of a security interest in such assets, (F) any collateral as to which the Collateral Agent has determined (in its sole discretion), in writing, that the collateral value thereof is insufficient to justify the difficulty, time and/or expense of obtaining a perfected security interest therein, and (G) cash to secure reimbursement obligations in respect of letters of credit permitted to be incurred pursuant to Section 7.01(f) of the Credit Agreement or Section 5.03(f) of the Indenture.

(ii) Second Lien Collateral. As collateral security for the payment in full when due (whether at stated maturity, by required payment, by declaration, by acceleration, demand or otherwise) of the Second Lien Secured Obligations, each Obligor hereby pledges and grants to the Collateral Agent for the benefit of the Second Lien Claimholders a security interest in all of such Obligor' s right, title and interest in, to and under the following property, in each case whether tangible or intangible, wherever located, and whether now owned by such Obligor or hereafter acquired and whether now existing or hereafter coming into existence (all of the property described in this Section 3(ii) being collectively referred to herein as "Second Lien Collateral"):

(a) all Accounts;

(b) all Chattel Paper (whether tangible or electronic);

(c) all Money and all Deposit Accounts, together with all amounts on deposit from time to time in such Deposit Accounts;

(d) all Documents;

(e) all Equipment;

(f) all Fixtures;

(g) all General Intangibles;

(h) all Goods not covered by the other clauses of this Section 3(ii);

(i) all Instruments, including all Promissory Notes;

(j) all Intellectual Property;

(k) all Inventory;

(l) all Investment Property not covered by other clauses of this Section 3(ii), including all Securities, all Securities Accounts and all Security Entitlements with respect thereto and Financial Assets carried therein, and all Commodity Accounts and Commodity Contracts;

(m) all Letter-of-Credit Rights and other Supporting Obligations;

(n) all Payment Intangibles;

(o) the Pledged Shares;

(p) all Software;

(q) all Commercial Tort Claims, including those arising out of the events described in Annex 7;

(r) the Collateral Account and any money or other property therein;

(s) all Records;

(t) all other tangible and intangible personal property whatsoever of such Obligor; and

(u) all Proceeds of any of the Second Lien Collateral, all Accessions to and substitutions and replacements for any of the Second Lien Collateral, and all offspring, rents, profits and products of any of the Second Lien Collateral, and, to the extent related to any Second Lien Collateral, all books, correspondence, credit files, records, invoices and other papers (including all tapes, cards, computer runs and other papers and documents in the possession or under the control of such Obligor or any computer bureau or service company from time to time acting for such Obligor),

IT BEING UNDERSTOOD, HOWEVER, that in no event shall the Second Lien Collateral include any Excluded Collateral (as defined above).

(iii) Obligors Remain Liable. Anything contained herein to the contrary notwithstanding, (A) each Obligor shall remain liable under any contracts and agreements included in the Collateral, to the extent set forth therein, to perform all of its duties and obligations thereunder to the same extent as if this Agreement had not been executed, (B) the exercise by the Collateral Agent of any of its rights hereunder shall not release any Obligor from any of its duties or obligations under the contracts and agreements included in the Collateral, and (C) the Collateral Agent shall not have any obligation or liability under any contracts, licenses, and agreements included in the Collateral by reason of this Agreement, nor shall the Collateral Agent be obligated to perform any of the obligations or duties of any Obligor thereunder or to take any action to collect or enforce any claim for payment assigned hereunder.

Section 4. Cash Proceeds of Collateral.

4.01 Collateral Account. The Collateral Agent may at any time cause to be established, at a banking institution selected by the Collateral Agent, a cash collateral account (the "Collateral Account"), that:

(i) to the extent of all Investment Property or Financial Assets (other than cash) credited thereto shall be a Securities Account in respect of which the Collateral Agent shall be the Entitlement Holder, and

(ii) to the extent of any cash credited thereto shall be a Deposit Account in respect of which the Collateral Agent shall be the depositary bank' s customer, and

into which each Obligor agrees to deposit from time to time the cash proceeds of any of the Collateral (including proceeds of insurance thereon) required to be delivered to the Collateral Agent pursuant to any of the Transaction Documents, or pursuant hereto, and into which any Obligor may from time to time deposit any additional amounts that either of them wishes to provide as additional collateral security hereunder. The Collateral Account, and any money or other property from time to time therein, shall constitute part of the First Lien Collateral and the Second Lien Collateral as provided in Section 3 and shall not constitute payment of any Secured Obligations until applied as hereinafter provided.

4.02 Proceeds of Casualty Events. Without limiting the generality of the provisions of the foregoing Section 4.01, promptly following the occurrence of any Casualty Event affecting the property of any Obligor (whether or not such property is Collateral under this Agreement), such Obligor through the Borrower shall give prompt notice thereof to the Collateral Agent and, if an Event of Default has occurred and is continuing, shall cause (unless otherwise consented to by the majority of the First Lien Claimholders and the majority of the

Second Lien Claimholders) the proceeds of insurance, condemnation award or other compensation received as a result of such Casualty Event to be paid to the Collateral Agent, for deposit into the Collateral Account, as additional collateral security for the payment of the First Lien Secured Obligations and the Second Lien Secured Obligations, and such proceeds shall be applied to the payment of the Secured Obligations as specified in Section 5.2 of the Intercreditor Agreement.

4.03 Withdrawals. The balance from time to time in the Collateral Account shall be subject to withdrawal only as provided in this Section 4.03 and Section 4.04 below. The Collateral Agent shall (except as otherwise provided in this Section 4.03) remit the collected balance standing to the credit of the Collateral Account to or upon the order of the relevant Obligor as such Obligor through the Borrower shall from time to time instruct, provided that at any time following the occurrence and during the continuance of an Event of Default, the Collateral Agent may (and, if instructed by the Claimholders as provided in the Intercreditor Agreement, shall) in its (or their) discretion, in accordance with the Intercreditor Agreement, apply or cause to be applied (subject to collection) the balance from time to time standing to the credit of the Collateral Account (regardless of the origin thereof) to the payment of the Secured Obligations as specified in Section 4.1(b) of the Intercreditor Agreement.

4.04 Proceeds of Accounts.

(i) Each Obligor shall, for not less than three years from the date on which each Account of such Obligor arose, maintain (A) complete Records of such Account, including records of all payments received, credits granted and merchandise returned, and (B) all documentation relating thereto.

(ii) Except as otherwise provided in this subsection (ii), each Obligor shall continue to collect, at its own expense, all amounts due or to become due to such Obligor under the Accounts. In connection with such collections, each Obligor may take (and, upon the occurrence and during the continuance of an Event of Default at the Collateral Agent' s direction, shall take) such action as such Obligor or the Collateral Agent (after the occurrence of an Event of Default) may deem necessary or advisable to enforce collection of amounts due or to become due under the Accounts; provided, however, that the Collateral Agent shall have the right at any time, upon the occurrence and during the continuation of an Event of Default and upon written notice to such Obligor of its intention to do so, to instruct all account debtors in respect of Accounts, Chattel Paper and General Intangibles and all obligors on Instruments to make all payments in respect thereof either (i) directly to the Collateral Agent (by instructing that such payments be remitted to a post office box which shall be in the name and under the control of the Collateral Agent) or (ii) to one or more other banks in the United States of America (by instructing that such payments be remitted to a post office box which shall be in the name and under the control of the Collateral Agent) under arrangements, in form and substance

satisfactory to the Collateral Agent, pursuant to which such Obligor shall have irrevocably instructed such other bank (and such other bank shall have agreed) to remit all proceeds of such payments directly to the Collateral Agent for deposit into the Collateral Account. All payments made to the Collateral Agent, as provided in the preceding sentence, shall be immediately deposited in the Collateral Account.

In addition to the foregoing, each Obligor agrees after the occurrence and continuance of an Event of Default that if the proceeds of any Collateral hereunder (including the payments made in respect of Accounts) shall be received by it, such Obligor shall as promptly as possible deposit such proceeds into the Collateral Account. Until so deposited, all such proceeds shall be held in trust by such Obligor for and as the property of the Collateral Agent.

4.05 Investment of Balance in Collateral Account. The cash balance standing to the credit of the Collateral Account shall be invested from time to time in such Permitted Investments as the respective Obligor through the Borrower (or, after the occurrence and during the continuance of an Event of Default, the Collateral Agent) shall determine, subject to compliance with the Indenture, which Permitted Investments shall be held in the name and be under the control of the Collateral Agent (and credited to the Collateral Account), provided that at any time after the occurrence and during the continuance of an Event of Default, the Collateral Agent may (and, if instructed by the Claimholders as provided in the Intercreditor Agreement, shall) in its (or their) discretion at any time and from time to time elect to liquidate any such Permitted Investments and to apply or cause to be applied the proceeds thereof to the payment of the Secured Obligations then due and payable in the manner specified in Section 4.1(b) of the Intercreditor Agreement.

Section 5. Further Assurances; Remedies. In furtherance of the grants of the pledges and security interests pursuant to Section 3, the Obligors hereby jointly and severally agree with the Collateral Agent for the benefit of the Claimholders as follows:

5.01 Delivery and Other Perfection. Each Obligor shall promptly from time to time give, execute, deliver, file, record, authorize or obtain all such financing statements, continuation statements, notices, instruments, documents, agreements or consents or other papers as may be necessary or desirable in the judgment of the Collateral Agent to create, preserve, perfect, maintain the perfection of or validate the security interests granted pursuant hereto or to enable the Collateral Agent to exercise and enforce its rights hereunder with respect to such security interests, and without limiting the foregoing, shall:

(a) if any of the Pledged Shares, Investment Property or Financial Assets constituting part of the Collateral are received by such Obligor, forthwith (x) deliver to the Collateral Agent the certificates or instruments representing or evidencing the same duly endorsed in blank or accompanied by such instruments of assignment and transfer in such form and substance as the Collateral Agent may reasonably request, all of which

thereafter shall be held by the Collateral Agent, pursuant to the terms of this Agreement, as part of the First Lien Collateral and the Second Lien Collateral and (y) take such other action as the Collateral Agent may reasonably deem necessary or appropriate to duly record or otherwise perfect the security interest created hereunder in such Collateral;

(b) promptly from time to time deliver to the Collateral Agent any and all Instruments constituting part of the Collateral, endorsed and/or accompanied by such instruments of assignment and transfer in such form and substance as the Collateral Agent may request; provided that (other than in the case of the Promissory Notes described in Annex 3 (Part B)) so long as no Event of Default shall have occurred and be continuing, such Obligor may retain for collection in the ordinary course any Instruments received by such Obligor in the ordinary course of business and the Collateral Agent shall, promptly upon request of such Obligor through the Borrower, make appropriate arrangements for making any Instrument delivered by such Obligor available to such Obligor for purposes of presentation, collection or renewal (any such arrangement to be effected, to the extent requested by the Collateral Agent, against trust receipt or like document);

(c) within 45 days from the date hereof, or after acquisition thereof (which time may be extended at the Collateral Agent' s sole discretion), enter into such control agreements, each in form and substance reasonably acceptable to the Collateral Agent, as may be required to perfect the security interests created hereby in any and all Deposit Accounts, Investment Property, Electronic Chattel Paper and Letter-of-Credit Rights, and will promptly furnish to the Collateral Agent true copies thereof together with the written agreement with respect thereto from the applicable financial institution, provided that the Collateral Agent shall not exercise such control prior to the occurrence and continuance of an Event of Default;

(d)(i) promptly notify the Collateral Agent in writing of any material rights to Intellectual Property acquired by such Obligor after the date hereof or of any filing of an application for any Trademark, Patent or Copyright after the date hereof, and, promptly upon the request of the Collateral Agent, shall execute and deliver such (A) supplements to this Agreement or short-form security agreements as the Collateral Agent may reasonably deem necessary or desirable to protect the interests of the Collateral Agent in respect of that portion of the Collateral consisting of Intellectual Property and (B) a Grant for recordation with respect thereto in the applicable filing office; and (ii) on or before the next Quarterly Update Date following receipt thereof, notify the Collateral Agent in writing of any rights to Intellectual Property acquired by such Obligor after the date hereof (other than the rights to Intellectual Property notified to the Collateral Agent under clause (i) hereof) and, upon the request of the Collateral Agent, shall take such actions described in clause (i) hereof as the Collateral Agent shall deem appropriate;

(e) promptly upon request of the Collateral Agent, cause the Collateral Agent to be listed as the lienholder on any certificate of title or ownership covering Motor Vehicles valued in excess of $100,000 in the aggregate (other than Motor Vehicles constituting Inventory) and within 120 days of such request deliver evidence of the same to the Collateral Agent;

(f) except as otherwise provided in Section 6.06 of the Credit Agreement, keep full and accurate books and records relating to the Collateral, and stamp or otherwise mark such books and records in such manner as the Collateral Agent may reasonably require in order to reflect the security interests granted by this Agreement; and

(g) except as otherwise provided in Section 6.06 of the Credit Agreement, permit representatives of the Collateral Agent, upon reasonable notice, at any time during normal business hours to inspect and make abstracts from its books and records pertaining to the Collateral, and permit representatives of the Collateral Agent to be present at such Obligor' s place of business to receive copies of all communications and remittances relating to the Collateral, and forward copies of any notices or communications received by such Obligor with respect to the Collateral, all in such manner as the Collateral Agent may require.

5.02 Other Financing Statements or Control. Except as otherwise permitted under Section 7.02 of the Credit Agreement or Section 5.06 of the Indenture, no Obligor shall (a) file or suffer to be on file, or authorize or permit to be filed or to be on file, in any jurisdiction, any effective financing statement or like instrument with respect to any of the Collateral in which the Collateral Agent (as agent for the First Lien Claimholders or the Second Lien Claimholders, as applicable) is not named as the sole secured party for the benefit of the Claimholders, or (b) cause or permit any Person other than the Collateral Agent to have "control" (as defined in Section 9-104, 9-105, 9-106 or 9-107 of the NYUCC) of any Deposit Account, Electronic Chattel Paper, Investment Property or Letter-of-Credit Right constituting part of the Collateral.

5.03 Preservation of Rights. The Collateral Agent shall not be required to take steps necessary to preserve any rights against prior parties to any of the Collateral.

5.04. Special Provisions Relating to Certain Collateral.

(a) Pledged Shares.

(i) The Obligors will cause the Pledged Shares to constitute at all times (1) 100% of the total number of Shares of each Issuer other than a Foreign Subsidiary then outstanding owned by the Obligors and (2) in the case of any Issuer that is a Foreign Subsidiary, 65% of the total number of shares of Voting Stock of such Issuer and 100% of the total number of shares of all other classes of capital stock of such Issuer then issued and outstanding owned by the Obligors.

(ii) Unless and until an Event of Default shall have occurred and be continuing, the Obligors shall have the right to exercise all voting, consensual and other powers of ownership pertaining to the Pledged Shares for all purposes not in conflict with the terms of this Agreement, the other Transaction Documents or any other instrument or agreement referred to herein or therein. The Collateral Agent shall execute and deliver to the Obligors or cause to be executed and delivered to the Obligors all such proxies, powers of attorney, dividend and other orders, and all such instruments, without recourse, as the Obligors may reasonably request for the purpose of enabling the Obligors to exercise the rights and powers that they are entitled to exercise pursuant to this Section 5.04(a)(ii).

(iii) Unless and until an Event of Default shall have occurred and be continuing, the Obligors shall be entitled to receive and retain any dividends, distributions or proceeds on the Pledged Shares paid in cash out of earned surplus.

(iv) The Obligors agree that they will execute and deliver, for any Issuer that is a Foreign Subsidiary, a supplemental pledge agreement providing for the granting of a security interest in the related Pledged Shares governed by the laws of the jurisdiction in which such Foreign Subsidiary is organized and deliver related opinions of local legal counsel in respect thereof, in each case in form and substance reasonably acceptable to the Collateral Agent, to the extent that the Collateral Agent reasonably determines that the benefits afforded by such supplemental pledge agreement merit the delivery thereof in light of the cost and expense thereof.

(v) If any Event of Default shall have occurred and be continuing, whether or not any Claimholder exercises any available right to declare any Secured Obligations due and payable or seeks or pursues any other relief or remedy available to it under applicable law or under this Agreement, the other Transaction Documents or any other agreement relating to such Secured Obligations, all dividends and other distributions on the Pledged Shares shall be paid directly to the Collateral Agent and retained by it in the Collateral Account as part of the First Lien Collateral and the Second Lien Collateral, subject to the terms of this Agreement, and, if the Collateral Agent shall so request in writing, the Obligors jointly and severally agree to execute and deliver to the Collateral Agent appropriate additional dividend, distribution and other orders and documents to that end, provided that if such Event of Default is cured, any such dividend or distribution theretofore paid to the Collateral Agent shall, upon request of the Obligors (except to the extent theretofore applied to the Secured Obligations), be returned by the Collateral Agent to the Obligors.

(b) Intellectual Property.

(i) Each Obligor shall (in each case acting in accordance with its commercially reasonable business judgment):

(A) use reasonable efforts so as not to permit the inclusion in any contract to which it hereafter becomes a party of any provision that could or might in any way impair or prevent the creation of a security interest in, or the assignment of, such Obligor' s rights and interests in any property included within the definitions of any Intellectual Property acquired under such contracts;

(B) take any and all steps to protect the secrecy of all trade secrets relating to the products and services sold or delivered under or in connection with the Intellectual Property, including, without limitation, where appropriate entering into confidentiality agreements with employees and labeling and restricting access to secret information and documents;

(C) use proper statutory notice in connection with its use of any of the Intellectual Property and products and services covered by the Intellectual Property; and

(D) use a commercially appropriate standard of quality in the manufacture, sale and delivery of products and services sold or delivered under or in connection with the Trademarks.

(ii) Except as otherwise provided in this Section 5.04(b), each Obligor shall continue to collect, at its own expense, all amounts due or to become due to such Obligor in respect of the Intellectual Property or any portion thereof. In connection with such collections, each Obligor may take (and, after the occurrence and during the continuance of any Event of Default at the Collateral Agent' s reasonable direction, shall take) such action as such Obligor may deem reasonably necessary or advisable to enforce collection of such amounts; provided, the Collateral Agent shall have the right at any time, upon the occurrence and during the continuation of an Event of Default and upon written notice to such Obligor of its intention to do so, to notify the obligors with respect to any such amounts of the existence of the security interest created hereby and to direct such obligors to make payment of all such amounts directly to the Collateral Agent, and, upon such notification and at the expense of such Obligor, to enforce collection of any such amounts and to adjust, settle or compromise the amount or payment thereof, in the same manner and to the same extent as such Obligor might have done. After receipt by any Obligor of the notice from the Collateral Agent referred to in the proviso to the preceding sentence and upon the occurrence and during the continuance of any Event of Default, (i) all amounts and proceeds (including checks and Instruments) received by each Obligor

in respect of amounts due to such Obligor in respect of the Intellectual Property or any portion thereof shall be segregated from other funds of such Obligor, shall be received in trust for the benefit of the Collateral Agent hereunder, shall be forthwith paid over or delivered to the Collateral Agent in the same form as so received (with any necessary endorsement) to be held as cash Collateral and applied as provided by Section 5.09, and (ii) such Obligor shall not adjust, settle or compromise the amount or payment of any such amount or release wholly or partly any obligor with respect thereto or allow any credit or discount thereon.

(iii) Each Obligor shall have the duty diligently, through counsel reasonably acceptable to the Collateral Agent, to prosecute, file and/or make, unless and until such Obligor, in its commercially reasonable judgment, decides otherwise, (i) any application for registration relating to any of the Intellectual Property owned, held or used by such Obligor and set forth in Annexes 4, 5 or 6, as applicable, that is pending as of the date of this Agreement, (ii) any Copyright registration on any existing or future unregistered but copyrightable works owned by such Obligor (except for works of nominal commercial value or with respect to which such Obligor has determined in the exercise of its commercially reasonable judgment that it shall not seek registration), (iii) any application on any future patentable but unpatented innovation or invention owned by such Obligor comprising Intellectual Property, and (iv) any Trademark opposition and cancellation proceedings, renew Trademark registrations and Copyright registrations and do any and all acts which are necessary or desirable to preserve and maintain all rights in all Intellectual Property owned by such Obligor. Any expenses incurred in connection therewith shall be borne solely by Obligors. Subject to the foregoing, each Obligor shall give the Collateral Agent written notice of any abandonment of any Intellectual Property.

(iv) Except as provided in this Agreement, each Obligor shall have the right to commence and prosecute in its own name, as real party in interest, for its own benefit and at its own expense, such suits, proceedings or other actions for infringement, unfair competition, dilution, misappropriation or other damage, or reexamination or reissue proceedings as are necessary to protect the Intellectual Property. Each Obligor shall promptly, following its becoming aware thereof, notify the Collateral Agent of the institution of, or of any adverse determination in, any proceeding (whether in an Intellectual Property filing office or any federal, state, local or foreign court) or regarding such Obligor' s ownership, right to use, or interest in any Intellectual Property. Each Obligor shall provide to the Collateral Agent any information with respect thereto requested by the Collateral Agent.

(v) For the purpose of enabling the Collateral Agent to exercise rights and remedies under Section 5.05 at such time as the Collateral Agent shall be lawfully entitled to exercise such rights and remedies, and for no other purpose, each Obligor hereby grants to the Collateral Agent, to the extent assignable, an irrevocable,

non-exclusive license (exercisable without payment of royalty or other compensation to such Obligor) to use, assign, license or sublicense any of the Intellectual Property now owned or hereafter acquired by such Obligor, wherever the same may be located, 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 programs used for the compilation or printout thereof. This right shall inure to the benefit of all successors, assigns and transferees of the Collateral Agent and its successors, assigns and transferees, whether by voluntary conveyance, operation of law, assignment, transfer, foreclosure, deed in lieu of foreclosure or otherwise. Such right and license shall be granted free of charge, without requirement that any monetary payment whatsoever be made to such Obligor.

(vi) Notwithstanding anything contained herein to the contrary, but subject to the provisions of Section 7.03 of the Credit Agreement and Sections 5.04 and 6.01 of the Indenture that limit the rights of the Obligors to dispose of their property, unless and until an Event of Default shall have occurred and be continuing, the Obligors will be permitted to exploit, use, enjoy, protect, license, sublicense, assign, sell, dispose of or take other actions with respect to the Intellectual Property in the ordinary course of the business of the Obligors. In furtherance of the foregoing, unless an Event of Default shall have occurred and be continuing the Collateral Agent shall from time to time, upon the request of the respective Obligor through the Borrower, execute and deliver any instruments, certificates or other documents, in the form so requested, that such Obligor through the Borrower shall have certified are appropriate (in its judgment) to allow it to take any action permitted above (including relinquishment of the license provided pursuant to clause (v) immediately above as to any specific Intellectual Property). Further, upon the payment in full of all of the Secured Obligations or earlier expiration of this Agreement or release of the Collateral, the Collateral Agent shall grant back to the Obligors the license granted pursuant to clause (v) immediately above. The exercise of rights and remedies under Section 5.05 by the Collateral Agent shall not terminate the rights of the holders of any licenses or sublicenses theretofore granted by the Obligors in accordance with the first sentence of this clause (vi).

(c) Chattel Paper. The Obligors will promptly deliver to the Collateral Agent each original of each item of Chattel Paper valued in excess of $100,000 individually or $500,000 in the aggregate at any time constituting part of the Collateral.

(d) Commercial Tort Claims. If at any time after the date hereof there are any Commercial Tort Claims against any Obligor that have been asserted in judicial proceedings, such Obligor will promptly notify the Collateral Agent thereof in writing, which notice will (A) set forth in reasonable detail the basis for and nature of such Commercial Tort Claim and (B) constitute an amendment to this Agreement by which such Commercial Tort Claim shall constitute part of the Collateral.

(e) Equipment and Inventory. Each Obligor will:

(i) if any Bailee Collateral is in possession or control of any of such Obligor' s agents or processors, if the aggregate book value of all such Bailee Collateral exceeds $100,000 individually or $500,000 in the aggregate, and in any event upon the occurrence of an Event of Default, instruct such agent or processor to hold all such Bailee Collateral for the account of the Collateral Agent and subject to the instructions of the Collateral Agent;

(ii) if any Inventory is located on premises leased by such Obligor, use reasonable efforts to deliver to the Collateral Agent as soon as practicable, but in any event within 60 days of the date hereof (which period may be extended at the sole discretion of the Collateral Agent), a fully executed collateral access agreement; and

(iii) promptly upon the issuance and delivery to such Obligor of any negotiable Document, deliver such Document to the Collateral Agent.

5.05 Remedies.

(a) Rights and Remedies Generally upon Default. If an Event of Default shall have occurred and is continuing, the Collateral Agent shall have all of the rights and remedies with respect to the First Lien Collateral and the Second Lien Collateral of a secured party under the NYUCC (whether or not the NYUCC is in effect in the jurisdiction where the rights and remedies are asserted) and such additional rights and remedies to which a secured party is entitled under the laws in effect in any jurisdiction where any rights and remedies hereunder may be asserted, including the right, to the fullest extent permitted by law, to exercise all voting, consensual and other powers of ownership pertaining to such Collateral as if the Collateral Agent were the sole and absolute owner thereof (and each Obligor agrees to take all such action as may be appropriate to give effect to such right); and without limiting the foregoing:

(i) the Collateral Agent in its discretion may, in its name or in the name of any Obligor or otherwise, demand, sue for, collect or receive any money or other property at any time payable or receivable on account of or in exchange for any of such Collateral, but shall be under no obligation to do so;

(ii) the Collateral Agent may make any reasonable compromise or settlement deemed desirable with respect to any of such Collateral and may extend the time of payment, arrange for payment in installments, or otherwise modify the terms of, any of such Collateral;

(iii) the Collateral Agent may, or may require the Obligors to, notify (and each Obligor hereby authorizes the Collateral Agent to so notify) each account debtor in respect of any Account, Chattel Paper or General Intangible, and each obligor on any Instrument, constituting part of such Collateral that such Collateral has been assigned to the Collateral Agent (as agent for the First Lien Claimholders and as agent for the Second Lien Claimholders) hereunder, and to instruct that any payments due or to become due in respect of such Collateral shall be made directly to the Collateral Agent or as it may direct (and if any such payments, or any other Proceeds of Collateral, are received by any Obligor they shall be held in trust by such Obligor for the benefit of the Collateral Agent and as promptly as possible remitted or delivered to the Collateral Agent for application as provided herein);

(iv) the Collateral Agent may require the Obligors to assemble such Collateral at such place or places, reasonably convenient to the Collateral Agent and the Obligors, as the Collateral Agent may direct;

(v) the Collateral Agent may apply the Collateral Account and any money or other property therein as provided in Section 4.1(b) of the Intercreditor Agreement;

(vi) the Collateral Agent may require the Obligors to cause the Pledged Shares to be transferred of record into the name of the Collateral Agent or its nominee (and the Collateral Agent agrees that if any of such Pledged Shares is transferred into its name or the name of its nominee, the Collateral Agent will thereafter promptly give to the respective Obligor copies of any notices and communications received by it with respect to such Pledged Shares); and

(vii) the Collateral Agent may sell, lease, assign or otherwise dispose of all or any part of such Collateral, at such place or places as the Collateral Agent deems best, and for cash or for credit or for future delivery (without thereby assuming any credit risk), at public or private sale, without demand of performance or notice of intention to effect any such disposition or of the time or place thereof (except such notice as is required by applicable statute and cannot be waived), and the Collateral Agent or any holder of any Secured Obligation or anyone else may be the purchaser, lessee, assignee or recipient of any or all of such Collateral so disposed of at any public sale (or, to the extent permitted by law, at any private sale) and thereafter hold the same absolutely, free from any claim or right of whatsoever kind, including any right or equity of redemption (statutory or otherwise), of the Obligors, any such demand, notice and right or equity being hereby expressly waived and released. In the event of any sale, assignment, or other disposition of any of the Trademark Collateral, the goodwill connected with and symbolized by the Trademark Collateral subject to such disposition shall be included. 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 the sale, and such sale may be made at any time or place to which the sale may be so adjourned.

The Proceeds of each collection, sale or other disposition under this Section 5.05, including by virtue of the exercise of any license granted to the Collateral Agent in Section 5.04(b), shall be applied in accordance with Section 5.09.

(b) Certain Securities Act Limitations. The Obligors recognize that, by reason of certain prohibitions contained in the Securities Act of 1933, as amended (the "Securities Act"), and applicable state securities laws, the Collateral Agent may be compelled, with respect to any sale of all or any part of the Collateral, to limit purchasers to those who will agree, among other things, to acquire the Collateral for their own account, for investment and not with a view to the distribution or resale thereof. The Obligors acknowledge that any such private sales may be at prices and on terms less favorable to the Collateral Agent than those obtainable through a public sale without such restrictions, and, notwithstanding such circumstances, agree that any such private sale shall be deemed to have been made in a commercially reasonable manner and that the Collateral Agent shall have no obligation to engage in public sales and no obligation to delay the sale of any Collateral for the period of time necessary to permit the issuer thereof to register it for public sale.

(c) Additional Remedies for Intellectual Property.

(i) Upon the occurrence and during the continuation of an Event of Default, (A) the Collateral Agent shall have the right (but not the obligation) to bring suit, in the name of any Obligor, the Collateral Agent or otherwise, to enforce any Intellectual Property, in which event each Obligor shall, at the request of the Collateral Agent, do any and all lawful acts and execute any and all documents required by the Collateral Agent in aid of such enforcement and each Obligor shall promptly, upon demand, reimburse and indemnify the Collateral Agent as provided in Section 9.03 of the Credit Agreement and Section 11.10 of the Indenture, as applicable, in connection with the exercise of its rights under this Section, and, to the extent that the Collateral Agent shall elect not to bring suit to enforce any Intellectual Property as provided in this Section, each Obligor agrees to use all reasonable measures, whether by action, suit, proceeding or otherwise, to prevent the infringement of any of the Intellectual Property by others and for that purpose agrees to use its commercially reasonable judgment in maintaining any action, suit or proceeding against any Person so infringing reasonably necessary to prevent such infringement; (B) upon written demand from the Collateral Agent, each Obligor shall execute and deliver to the Collateral Agent an assignment or assignments of Intellectual Property and such other documents as are necessary or appropriate to carry out the intent and purposes of this Agreement; (C) each Obligor agrees that such an assignment and/or recording shall be applied to reduce the Secured Obligations outstanding only to the extent that the Collateral Agent (or any Claimholder) receives cash proceeds in respect of the sale of, or other realization upon, the Intellectual Property.

(ii) If (A) an Event of Default shall have occurred and, by reason of cure, waiver, modification, amendment or otherwise, no longer be continuing, (B) no other Event of Default shall have occurred and be continuing, (C) an assignment to the Collateral Agent of any rights, title and interests in and to the Intellectual Property shall have been previously made, and (D) the Secured Obligations shall not have become immediately due and payable, upon the written request of any Obligor, the Collateral Agent shall promptly execute and deliver to such Obligor such assignments as may be necessary to reassign to such Obligor any such rights, title and interests as may have been assigned to the Collateral Agent as aforesaid, subject to any disposition thereof that may have been made by the Collateral Agent provided, after giving effect to such reassignment, the Collateral Agent' s security interest granted pursuant hereto, as well as all other rights and remedies of the Collateral Agent granted hereunder, shall continue to be in full force and effect; and provided further, the rights, title and interests so reassigned shall be free and clear of all Liens other than Liens (if any) encumbering such rights, title and interest at the time of their assignment to the Collateral Agent and the Permitted Encumbrances.

(d) Notice. The Obligors agree that to the extent the Collateral Agent is required by applicable law to give reasonable prior notice of any sale or other disposition of any Collateral, ten Business Days' notice shall be deemed to constitute reasonable prior notice.

5.06 Deficiency. If the proceeds of sale, collection or other realization of or upon the Collateral pursuant to Section 5.05 are insufficient to cover the costs and expenses of such realization and the payment in full of the Secured Obligations, the Obligors shall remain liable for any deficiency.

5.07 Locations; Names; Etc. Without at least 15 days' prior written notice to the Collateral Agent, no Obligor shall (i) change its location (as defined in Section 9-307 of the NYUCC), (ii) change its name from the name shown as its current legal name on Annex 1, or (iii) agree to or authorize any modification of the terms of any item of Collateral that would result in a change thereof from one Uniform Commercial Code category to another such category (such as from a General Intangible to Investment Property), if the effect thereof would be to result in a loss of perfection of, or diminution of priority for, the security interests created hereunder in such item of Collateral, or the loss of control (within the meaning of Section 9-104, 9-105, 9-106 or 9-107 of the NYUCC) over such item of Collateral.

5.08 Private or Public Sale. The Collateral Agent and the Claimholders shall incur no liability as a result of the sale of the Collateral, or any part thereof, at any private or public sale pursuant to Section 5.05 conducted in a commercially reasonable manner. Each Obligor hereby waives any claims against the Collateral Agent or any Claimholder arising by reason of the fact that the price at which the Collateral may have been sold at such a private or public sale was less than the price that might have been obtained at a public sale or was less than the aggregate amount of the Secured Obligations, even if the Collateral Agent accepts the first offer received and does not offer the Collateral to more than one offeree.

5.09 Application of Proceeds. Except as otherwise herein expressly provided, the Proceeds of any collection, sale or other realization of all or any part of the Collateral pursuant hereto, and any other cash at the time held by the Collateral Agent under Section 4 or this Section 5, shall be applied by the Collateral Agent as provided in Section 4 of the Intercreditor Agreement.

5.10 Attorney-in-Fact. Without limiting any rights or powers granted by this Agreement to the Collateral Agent while no Event of Default has occurred and is continuing, upon the occurrence and during the continuance of any Event of Default the Collateral Agent is hereby appointed the attorney-in-fact of each Obligor for the purpose of carrying out the provisions of this Section 5 and taking any action and executing any instruments that the Collateral Agent may deem necessary or advisable to accomplish the purposes hereof, which appointment as attorney-in-fact is irrevocable and coupled with an interest. Without limiting the generality of the foregoing, so long as the Collateral Agent shall be entitled under this Section 5 to make collections in respect of the Collateral, the Collateral Agent shall have the right and power to receive, endorse and collect all checks made payable to the order of any Obligor representing any dividend, payment or other distribution in respect of the Collateral or any part thereof and to give full discharge for the same.

5.11 Perfection and Recordation. Prior to or concurrently with the execution and delivery of this Agreement, each Obligor shall

(a) deliver to the Collateral Agent all certificates evidencing any of the Pledged Shares, accompanied by undated stock or other powers duly executed in blank;

(b) deliver the originals of any of the promissory notes referred to in Section 3(i);

(c) cause each Issuer (other than an Issuer the ownership interests in which are evidenced by certificates or are not a Subsidiary or Obligor) to agree that it will comply with instructions regarding perfection and recordation originated by the Collateral Agent; and

(d) execute, deliver and record Grants with the applicable Intellectual Property filing office relating to Collateral consisting of Intellectual Property as the Collateral Agent may reasonably request.

In addition, each Obligor authorizes the Collateral Agent to file Uniform Commercial Code financing statements describing each of the First Lien Collateral and the Second Lien Collateral as “all assets” or “all personal property including fixtures” of such Obligor (provided that no such description shall be deemed to modify the description of such Collateral set forth in Section 3).

5.12 Termination. When all Secured Obligations shall have been paid in full and the Commitments of Hillside under the Credit Agreement shall have expired or been terminated, this Agreement shall terminate, and the Collateral Agent shall forthwith cause to be assigned, transferred and delivered, against receipt but without any recourse, warranty or representation whatsoever, any remaining Collateral and money received in respect thereof, to or on the order of the respective Obligor and to be released and canceled all licenses and rights referred to in Section 5.04(b).

The Collateral Agent shall also, at the expense of such Obligor, execute and deliver to the respective Obligor upon such termination such Uniform Commercial Code termination statements, any certificates for terminating the Liens on the Motor Vehicles (if any), notices to terminate control and such other documentation as shall be reasonably requested by the respective Obligor to effect the termination and release of the Liens on the Collateral as required by this Section 5.12.

5.13 Further Assurances. Each Obligor agrees that, from time to time upon the written request of the Collateral Agent, such Obligor will execute and deliver such further documents and do such other acts and things as the Collateral Agent may reasonably request in order fully to effect the purposes of this Agreement. The Collateral Agent shall release any Lien covering any asset that has been disposed of in compliance with Section 7.03 of the Credit Agreement and Section 11.06 of the Indenture upon the direction of the First Lien Trustee in the manner provided in Section 5.1(c) of the Intercreditor Agreement.

Section 6. Miscellaneous.

6.01 Notices. All notices, requests, consents and demands hereunder shall be in writing and telecopied or delivered to the intended recipient at its "Address for Notices" specified pursuant to Section 9.8 of the Intercreditor Agreement, and shall be deemed to have been given at the times specified in said Section 9.8.

6.02 No Waiver. No failure on the part of the Collateral Agent or any Claimholder to exercise, and no course of dealing with respect to, and no delay in exercising, any right, power or remedy hereunder shall operate as a waiver thereof; nor shall any single or partial exercise by the Collateral Agent or any Claimholder of any right, power or remedy hereunder preclude any other or further exercise thereof or the exercise of any other right, power or remedy. The remedies herein are cumulative and are not exclusive of any remedies provided by law.

6.03 Amendments, Etc. The terms of this Agreement may be waived, altered or amended only by an instrument in writing duly executed by each Obligor and the Collateral Agent (with the consent of the First Lien Trustee (until the Discharge of the First Lien Secured Obligations) and the Second Lien Lender). Any such amendment or waiver shall be binding upon the Collateral Agent, each holder of any of the Secured Obligations and each Obligor.

6.04 Expenses. The Obligors jointly and severally agree to reimburse each of the Claimholders and the Collateral Agent for all reasonable costs and expenses incurred by them (including the reasonable fees and expenses of legal counsel) in connection with (i) any Default and any enforcement or collection proceeding resulting therefrom, including all manner of participation in or other involvement with (w) performance by the Collateral Agent of any obligations of the Obligors in respect of the Collateral that the Obligors have failed or refused to perform, (x) bankruptcy, insolvency, receivership, foreclosure, winding up or liquidation proceedings, or any actual or attempted sale, or any exchange, enforcement, collection, compromise or settlement in respect of any of the Collateral, and for the care of the Collateral and defending or asserting rights and claims of the Collateral Agent in respect thereof, by litigation or otherwise, including expenses of insurance, (y) judicial or regulatory proceedings and (z) workout, restructuring or other negotiations or proceedings (whether or not the workout, restructuring or transaction contemplated thereby is consummated) and (ii) the enforcement of this Section 6.04, and all such costs and expenses shall be Secured Obligations entitled to the benefits of the collateral security provided pursuant to Section 3.

6.05 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the respective successors and assigns of each Obligor, the Collateral Agent, the Claimholders and each holder of any of the Secured Obligations (provided that no Obligor shall assign or transfer its rights or obligations hereunder without the prior written consent of the Collateral Agent).

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

6.07 Governing Law; Jurisdiction; Etc.

(a) Governing Law. This Agreement shall be governed by, and construed in accordance with, the law of the State of New York.

(b) Submission to Jurisdiction. Each Obligor irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of the Supreme Court of the State of New York sitting in New York County and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement or any other Transaction Document, or for recognition or enforcement of any judgment relating thereto, and each of the parties hereto 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 court or, to the fullest extent permitted by applicable 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 in any other Transaction Document shall affect any right that the Collateral Agent or any Claimholder may otherwise have to bring any action or proceeding relating to this Agreement or any other Transaction Document against any Obligor or its properties in the courts of any jurisdiction.

(c) Waiver of Venue. Each Obligor irrevocably and unconditionally waives, to the fullest extent permitted by applicable law, any objection that it may now or hereafter have to the laying of venue of any action or proceeding arising out of or relating to this Agreement or any other Transaction Document in any court referred to in paragraph (b) of this Section. Each of the parties hereto irrevocably waives, to the fullest extent permitted by applicable law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) Service of Process. Each party hereto irrevocably consents to service of process in the manner provided for notices in Section 6.01. Nothing in this Agreement will affect the right of any party hereto to serve process in any other manner permitted by applicable law.

6.08 Captions. The captions and section headings appearing herein are included solely for convenience of reference and are not intended to affect the interpretation of any provision of this Agreement.

6.09 Agents and Attorneys-in-Fact. The Collateral Agent may employ agents and attorneys-in-fact in connection herewith and shall not be responsible for the negligence or misconduct of any such agents or attorneys-in-fact selected by it in good faith.

6.10 Severability. If any provision hereof is invalid and unenforceable in any jurisdiction, then, to the fullest extent permitted by law, (a) the other provisions hereof shall remain in full force and effect in such jurisdiction and shall be liberally construed in favor of the Collateral Agent and the Claimholders in order to carry out the intentions of the parties hereto as nearly as may be possible and (b) the invalidity or unenforceability of any provision hereof in any jurisdiction shall not affect the validity or enforceability of such provision in any other jurisdiction.

6.11 Additional Obligors. As contemplated by Section 6.09 of the Credit Agreement and Section 5.17 of the Indenture, a new Subsidiary of the Borrower formed or acquired by the Borrower after the date hereof may become a "Subsidiary Guarantor" under the Credit Agreement and the Indenture and an Obligor under this Agreement, by executing and

delivering to the Collateral Agent Guarantee Assumption Agreements in the respective forms of Exhibit C to the Credit Agreement and Subsidiary Guarantee in a supplemental indenture to the Indenture. Accordingly, upon the execution and delivery of such Guarantee Assumption Agreements by any such Subsidiary, such new Subsidiary shall automatically and immediately, and without any further action on the part of any Person, become a "Subsidiary Guarantor" for all purposes of this Agreement, and each of the Annexes hereto shall be supplemented in the manner specified in such Guarantee Assumption Agreement.

6.12 Intercreditor Agreement Governs. Notwithstanding anything herein to the contrary, the Liens and security interests granted to the Collateral Agent for the benefit of the Claimholders pursuant to this Agreement and the exercise of any right or remedy by the Collateral Agent and the other Claimholders hereunder are subject to the provisions of the Intercreditor Agreement. In the event of any conflict between the terms of the Intercreditor Agreement and this Security Agreement, the terms of the Intercreditor Agreement shall govern.

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

BORROWER

AMPEX CORPORATION

By /s/ D. Gordon Strickland
Name: D. Gordon Strickland
Title: President and Chief Executive Officer

SUBSIDIARY GUARANTORS

AMPEX DATA INTERNATIONAL CORPORATION

By /s/ Lawrence Chiarella
Name: Lawrence Chiarella
Title: President

AMPEX DATA SYSTEMS CORPORATION

By /s/ Lawrence Chiarella
Name: Lawrence Chiarella
Title: President

AMPEX FINANCE CORP.

By /s/ D. Gordon Strickland
Name: D. Gordon Strickland
Title: President

AMPEX INTERNATIONAL SALES CORPORATION

By /s/ Lawrence Chiarella
Name: Lawrence Chiarella
Title: President

COLLATERAL AGENT

HILLSIDE CAPITAL INCORPORATED

By /s/ Raymond F. Weldon

Name: Raymond F. Weldon

Title: Managing Director

FILING DETAILS

Legal Name of Obligor	Type of Organization	Jurisdiction of Organization	Organizational Identification Number	Mailing Address	Places of Business
Ampex Corporation	Corporation	Delaware	2285798	1228 Douglas Avenue, Redwood City, CA 94063-3117	
Ampex Data Systems Corporation	Corporation	Delaware	2219578	1228 Douglas Avenue, Redwood City, CA 94063-3117	1228 Douglas Avenue, Redwood City, CA 94063-3117
Ampex Data International Corporation	Corporation	Delaware	3589771	1228 Douglas Avenue, Redwood City, CA 94063-3117	–
Ampex International Sales Corporation	Corporation	California	C0906557	1228 Douglas Avenue, Redwood City, CA 94063-3117	–
Ampex Finance Corporation	Corporation	Delaware	2180917	1228 Douglas Avenue, Redwood City, CA 94063-3117	–

Annex 1 to Security Agreement

NEW DEBTOR EVENTS

None.

Annex 2 to Security Agreement

SHARES AND PROMISSORY NOTES

Shares:

Owner	Issuer	Class	Par Value	Shares	Certificate No.	% Ownership
Ampex Corporation	Ampex Data Systems Corporation	Common	$1.00	1,000	2	100%
Ampex Data Systems Corporation	Ampex Data International Corporation	Common	$0.01	1,000	1	100%
Ampex Corporation	Ampex Finance Corporation	Common	$1.00	1,000	1	100%
Ampex Corporation	Ampex Holdings Corporation	Common	$0.01	1,000	C 1	100%
Ampex Corporation	Ampex International Sales Corporation	Common	$1.00	2,500	1	100%
Ampex Finance Corporation	AFC Holdings Corporation	Common	$1.00	900	1	100%
Ampex Data Systems Corporation	Ampex Great Britain Limited	N/A	£1.00	65,000	5	100% (Pledge limited to 65% of voting stock represented by this Certificate)

Annex 3 to Security Agreement

Owner	Issuer	Class	Par Value	Shares	Certificate No.	% Ownership
Ampex Data Systems Corporation	Ampex Great Britain Limited	N/A	£1.00	35,000	6	100% (Pledge limited to 65% of voting stock represented by Certificate No. 5)
Ampex Data Systems Corporation	Ampex Japan, LTD.	Common	None	21,457	I-001	100% (Pledge limited to 65% of voting stock represented by this Certificate)
Ampex Data Systems Corporation	Ampex Japan, LTD.	Common	None	11,555	I-002	100% (Pledge limited to 65% of voting stock represented by Certificate No. I-001)

Promissory Notes:

None.

Annex 3 to Security Agreement

LIST OF COPYRIGHTS, COPYRIGHT REGISTRATIONS AND APPLICATIONS FOR COPYRIGHT REGISTRATIONS

None.

Annex 4 to Security Agreement

LIST OF PATENTS AND PATENT APPLICATIONS

See attached for list of patents.

Co-Owned Patents

The following patents are co-owned by Ampex Corporation and Quantum (by assignment and acquisition from E-Systems):

ID	Description
Ampex ID 3661	Triple Orthogonally Interleaved Error Correction System (US 5392299)
Ampex ID 3736	Tape Media Formatted to Include Multiple, Spaced Apart System Zones Each for Storing Volume Format Information (US 5446602)
Ampex ID 3738	Systems Zones for Non-Beginning of Tape Operations (US 5872667)
Ampex ID 3759	Tape Volume Partitioning (US 5388012)
Ampex ID 3760	Transparent File Marks (US 5450250)

LICENSES GRANTED

Ampex Corporation owns certain rights of Sweet River Music, Inc. (“Sweet River”), a California corporation dissolved on September 22, 1982. Sweet River acts as publisher of a song catalog and receives performance and mechanical royalties pursuant to certain licensing arrangements.

Patent License Agreements

Consumer and Professional Video Tape Recorder (“VTR”) License Agreement dated as of April 1, 1986 between Debtor and AISA, as Licensors, and Sony Corporation (“Sony”), as Licensee (the “1986 License Agreement”).

Consumer VTR License Agreement dated as of January 1, 1995, between Debtor as Licensor, and Sharp Corporation (“Sharp”), as Licensee.

Consumer VTR License Agreement dated as of February 21, 1995, between Debtor, as Licensor, and Sanyo Electric Company, Ltd. (“Sanyo”), as Licensee.

Consumer VTR License Agreement dated as of September 16, 1995, between Debtor, as Licensor, and Funai Electric Company Limited (“Funai”), as Licensee (the “1995 License Agreement”).

Consumer VTR License Agreement dated as of April 1, 1996, between Debtor, as Licensor, and Hitachi, Ltd., as Licensee.

Computer Data Recorder License Agreement dated as of April 1, 1996 between Debtor, as Licensor, and Hitachi, Ltd., as Licensee.

Consumer VTR License Agreement dated as of December 29, 1996 between Debtor, as Licensor, and Canon Inc. ("Canon"), a Licensee.

Consumer VTR License Agreement dated as of July 1, 1997, between Debtor, on the one hand, as Licensor, and Toshiba Corporation, Toshiba Video Products Pte., Ltd., and Toshiba Consumer Products (UK) Ltd., on the other hand (collectively, "Toshiba"), as Licensee.

Consumer VTR License Agreement dated as of April 1, 1998, between Debtor, as Licensor, and Orion Electric Co., Ltd., as Licensee.

Consumer VTR License Agreement dated as of July 1, 1998, between Debtor, as Licensor, and Shintom Company Ltd., as Licensee.

First Amendment dated as of June 16, 2000, to the 1995 License Agreement, between Debtor, as Licensor, and Funai, as Licensee.

Second Amendment dated as of January 1, 2001, to the 1995 License Agreement between Debtor, as Licensor, and Funai, as Licensee.

Amendment dated as of October 1, 2001, to 1995 License Agreement between Debtor, as Licensor, and Sharp, as Licensee.

Consumer and Professional VTR and Digital Still Camera ("DSC") License Agreement dated as of April 1, 2003, between Debtor, as Licensor, and Matsushita Electrical Industrial Co., Ltd. and Victor Company of Japan, Ltd., as Licensees.

DVD License Agreement dated as of January 1, 2004, between Debtor, as Licensor, and Funai, as Licensee.

DSC License Agreement dated April 1, 2004, between Debtor, as Licensor, and Sanyo, as Licensee.

DSC License Agreement dated as of July 1, 2004, between Debtor, as Licensor, and Canon, as Licensee.

Annex 5 to Security Agreement

DSC License Agreement dated as of September 1, 2004, between Debtor, as Licensor, and Pentax Corporation, as Licensee.

DSC License Agreement dated as of October 1, 2004 between Debtor, as Licensor, and Casio Computer Co., Ltd., as Licensee.

DSC License Agreement dated as of October 1, 2004 between Debtor, as Licensor, and Fuji Photo Film Co., Ltd., as Licensee.

DSC License Agreement dated as of October 1, 2004 between Debtor, as Licensor, and Funai, as Licensee.

DSC License Agreement dated as of October 1, 2004 between Debtor, as Licensor, and Konica Minolta Holdings, Inc., as Licensee.

DSC License Agreement dated as of October 1, 2004 between Debtor, as Licensor, and Nikon Corporation, as Licensee.

DSC License Agreement dated as of October 1, 2004 between Debtor, as Licensor, and Olympus Corporation, as Licensee.

DSC License Agreement dated as of October 1, 2004 between Debtor, as Licensor, and Samsung Techwin Co., Ltd., as Licensee.

Amendment dated as of October 1, 2004, to the 1986 License Agreement, between Debtor, as Licensor, and Sony, as Licensee.

Consumer VTR License Agreement dated as of October 1, 2004, between Debtor, as Licensor, and Sony, as Licensee.

DSC License Agreement dated as of October 1, 2004 between Debtor, as Licensor, and Sony, as Licensee.

Consumer VTR License Agreement dated as of June 1, 2005, between Debtor, as Licensor, and Samsung Electronics Co. Ltd., as Licensee.

Annex 5 to Security Agreement

LIST OF TRADEMARK AND SERVICE MARK REGISTRATIONS AND APPLICATIONS
FOR TRADEMARK AND SERVICE MARK REGISTRATIONS

See attached for list of trademarks.

Annex 6 to Security Agreement

LIST OF COMMERCIAL TORT CLAIMS

None.

Annex 7 to Security Agreement

ANNEX 8

LIST OF DEPOSIT, SECURITIES AND COMMODITIES ACCOUNTS

Debtor	Bank Account	Bank	Account #
Ampex Corporation	Concentration Account	Wells Fargo	4589619709
Ampex Corporation	Miscellaneous Account	Citibank	96419446
Ampex Corporation	Payroll Account	Wells Fargo	4950042796
Ampex Corporation	Disbursement Account	Wells Fargo	4121644058
Ampex Corporation	Utility Reserve Account	Wells Fargo	4121708184
Ampex Data Systems Corporation	Lock Box Account	Bank of America	8188400129
Ampex Data Systems Corporation	Credit Card Account	Wells Fargo	4518053665
Ampex Data Systems Corporation	Concentration Account	Wells Fargo	4323200196
Ampex Data Systems Corporation	Payroll Account	Wells Fargo	4323037952
Ampex Data Systems Corporation	Disbursement Account	Wells Fargo	4121732150
Ampex Data Systems Corporation	T-Bill Account	Wells Fargo	12718151
Ampex Data Systems Corporation	Letter of Credit Account	Comerica	1892365022
Ampex Data Systems Corporation	Money Market Account	Comerica	1892365022

Annex 8 to Security Agreement

LIST OF CHATTEL PAPER

None.

Annex 9 to Security Agreement

LIST OF LETTER-OF-CREDIT RIGHTS

None.

Annex 10 to Security Agreement

LIST OF DOCUMENTS

None.

Annex 11 to Security Agreement

EXCLUDED FOREIGN SUBSIDIARIES

Foreign Subsidiary:	**Jurisdiction**
Ampex Cintas Magneticas, S.A.	Mexico
Ampex de Colombia, S.A.	Colombia
Ampex de Mexico, S.A. de C.V. (1)	Mexico
Ampex do Brasil Electronica Ltd.	Brazil
Ampex S.A.	Belgium
Ampex Europa GmbH	Germany

Annex 12 to Security Agreement

EXHIBIT 10.4

COLLATERAL AGENCY AND INTERCREDITOR AGREEMENT

COLLATERAL AGENCY AND INTERCREDITOR AGREEMENT dated as of October 3, 2008, by and among AMPEX CORPORATION, a Delaware corporation (the "Borrower"), THE SUBSIDIARIES OF THE BORROWER PARTY HERETO (the "Subsidiary Guarantors"), HILLSIDE CAPITAL INCORPORATED ("Hillside"), in its capacity as collateral agent for the First Lien Claimholders and the Second Lien Claimholders (each as defined below) (together with its successors and assigns in such capacity, the "Collateral Agent"), U.S. BANK NATIONAL ASSOCIATION, in its capacity as indenture trustee under the First Lien Indenture (as defined below) (together with its successors and assigns in such capacity, the "First Lien Trustee") and Hillside, in its capacity as the lender under the Second Lien Credit Agreement (as defined below) (together with its successors and assigns in such capacity, the "Second Lien Lender"). Capitalized terms used in this introductory paragraph and the in recitals below but not otherwise defined herein or therein have the meanings set forth in Section 1 below.

RECITALS

WHEREAS, the Borrower, the Subsidiary Guarantors and the First Lien Trustee have entered into that certain amended and restated indenture, dated as of the date hereof, providing for the issue of the First Lien Notes (as defined below) (as amended, restated, supplemented, modified or refinanced from time to time in accordance with the terms hereof, the "First Lien Indenture");

WHEREAS, the Borrower, the Subsidiary Guarantors and the Second Lien Lender have entered into that certain credit agreement, dated as of the date hereof, providing for certain loan facilities (as amended, restated, supplemented, modified or Refinanced from time to time in accordance with the terms hereof, the "Second Lien Credit Agreement");

WHEREAS, the Borrower, certain Subsidiary Guarantors of the Borrower and the Second Lien Lender are entering into the Hillside-Ampex/Sherborne Agreement (as defined herein), providing for, inter alia, the issuance of Series A Preferred Stock (as defined herein) by the Borrower to the Second Lien Lender and its affiliates, and guarantees by certain Subsidiary Guarantors of the Loans under the Second Lien Credit Agreement and of the Borrower' s obligations to make payments to the Second Lien Lender and its affiliates in respect of the Series A Preferred Stock of the Borrower;

WHEREAS, the Borrower, the Subsidiary Guarantors and the Collateral Agent party thereto, have entered into that certain security agreement, dated as of the date hereof, under which security interests over substantially all of the assets of the Borrower and the Subsidiary Guarantors are granted in favor of the Collateral Agent, acting on behalf of the First Lien Trustee and the Second Lien Lender (as amended, restated, supplemented or modified from time to time, the "Security Agreement");

WHEREAS, pursuant to (i) Article XII of the First Lien Indenture, the Subsidiary Guarantors have agreed to guarantee the First Lien Notes (the "First Lien Guaranty"); (ii) Article III of the Second Lien Credit Agreement, the Subsidiary Guarantors have agreed to guarantee the Loans referred to therein (the "Second Lien Guaranty"); and (iii) pursuant to the Hillside-Ampex/Sherborne Agreement, the Subsidiary Guarantors have agreed to guarantee the Loans and the Series A Preferred Stock;

WHEREAS, the obligations of the Borrower under the First Lien Indenture and the obligations of the Subsidiary Guarantors under the First Lien Guaranty will be secured on a first priority basis by liens on substantially all the assets (other than the Excluded Collateral, as defined in the Security Agreement) of the Borrower and the Subsidiary Guarantors, respectively, pursuant to the terms of the Security Agreement;

WHEREAS, the obligations of the Borrower under the Second Lien Credit Agreement and the obligations of the Subsidiary Guarantors under the Second Lien Guaranty will be secured on a second priority basis by liens on substantially all the assets (other than the Excluded Collateral, as defined in the Security Agreement) of the Borrower, and the Subsidiary Guarantors, respectively, pursuant to the terms of the Security Agreement;

WHEREAS, the First Lien Credit Documents and the Second Lien Credit Documents provide, among other things, that the parties thereto shall set forth in this Agreement their respective rights and remedies with respect to the Collateral; and

WHEREAS, in order to induce the holders of the First Lien Notes to enter into the transactions contemplated by the First Lien Indenture, the Second Lien Lender has agreed to the subordination, intercreditor and other provisions set forth in this Agreement.

NOW, THEREFORE, in consideration of the foregoing, the mutual covenants and obligations herein set forth and for other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

Section 1. Definitions.

1.1 Defined Terms. Capitalized terms used but not defined herein shall have the meanings provided therefor in the Second Lien Credit Agreement. As used in the Agreement, the following terms shall have the following meanings:

"Accounts" means any and all deposit accounts and securities investment accounts of the Grantors.

"Affiliate" means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

"Agreement" means this Collateral Agency and Intercreditor Agreement, as amended, renewed, extended, supplemented or otherwise modified from time to time in accordance with the terms hereof.

"Bankruptcy Code" means Title 11 of the United States Code entitled "Bankruptcy," as now and hereafter in effect, or any successor statute.

"Bankruptcy Law" means the Bankruptcy Code and any similar federal, state or foreign law for the relief of debtors.

"Borrower" has the meaning assigned to that term in the Preamble hereto.

"Business Day" means any day that is not a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to remain closed.

"Claimholders" means, collectively, the First Lien Claimholders and the Second Lien Claimholders.

"Collateral" means all of the assets and property of any Grantor, whether real, personal or mixed, constituting both First Lien Collateral and Second Lien Collateral.

"Collateral Agent" has the meaning assigned to that term in the Preamble hereto.

"Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. "Controlling" and "Controlled" have meanings correlative thereto.

"Control Agreements" means control agreements covering Accounts entered into by the Collateral Agent, the Borrower or any Grantor and a depository bank or securities intermediary, as applicable, which shall secure both the First Lien Secured Obligations and the Second Lien Secured Obligations in the aggregate.

"DIP Financing" means a financing obtained by the Borrower or any other Grantor, whether from the First Lien Claimholders or any other entity under Section 363 or Section 364 of the Bankruptcy Code or any similar Bankruptcy Law.

"Discharge of First Lien Secured Obligations" means, without duplication and except to the extent otherwise provided in Section 5.6, and subject at all times to Section 6.4, (a) payment in full in cash of the principal of and interest (including interest accruing on or after the commencement of any Insolvency or Liquidation Proceeding, whether or not such interest would be allowed in such Insolvency or Liquidation Proceeding) and premium, if any, on all First Lien Notes and (b) payment in full in cash of all other First Lien Secured Obligations that are due and payable or otherwise accrued and owing at or prior to the time such principal and interest are paid.

"Disposition" has the meaning set forth in Section 5.1(a)(ii).

"Enforcement Action" means (a) to take from or for the account of any Borrower or Subsidiary Guarantor, by set-off or in any other manner, the whole or any part of any moneys which may now or hereafter be owing by such Borrower or Subsidiary Guarantor to any First Lien Claimholder, (b) to notify account debtors or directly collect accounts receivable or other payment rights of any Borrower or Subsidiary Guarantor, (c) take any action under the provisions of any state or federal law, including, without limitation, the Uniform Commercial Code, or under any contract or agreement, to enforce, foreclose upon, take possession of or sell any Collateral, or (d) declare immediately due and payable by acceleration the First Lien Notes; provided that the issuance of a notice of Default or Event of Default, reservation of rights letter or other similar notice shall not be deemed to be an Enforcement Action.

"Event of Default" means an Event of Default under (and as defined in) either the First Lien Indenture or the Second Lien Credit Agreement.

"First Lien Claimholders" means, at any relevant time, the holders of First Lien Secured Obligations at such time, including without limitation the First Lien Trustee and the First Lien Noteholders or any Affiliate of the First Lien Trustee or any such holder.

"First Lien Collateral" has the meaning assigned to that term in the Security Agreement.

"First Lien Credit Documents" means the First Lien Indenture, the First Lien Notes, the Security Agreement and each of the other agreements, documents and instruments providing for or evidencing any other First Lien Secured Obligation, and any other document or instrument executed or delivered at any time in connection with any First Lien Secured Obligations, including any intercreditor or joinder agreement among holders of First Lien Secured Obligations, to the extent such are effective at the relevant time, as each may be modified from time to time in accordance with the terms of this Agreement; provided that any such modification does not increase the principal amount of First Lien Secured Obligations permitted under this Agreement.

"First Lien Guaranty" has the meaning assigned to that term in the Recitals hereto.

"First Lien Indenture" has the meaning set forth in the Recitals hereto.

"First Lien Noteholders" means the holder of any note issued under the First Lien Indenture.

"First Lien Notes" means the Borrower' s 12% Senior Secured Notes due 2009 issued under the First Lien Indenture.

"First Lien Secured Obligations" means the First Lien Notes in an aggregate principal amount at any one time outstanding of up to $3,658,080, as such principal amount may be increased by amendments complying with Section 5.3(a) hereof, and all other obligations, liabilities and indebtedness of every kind, nature and description owing by the Grantors to the First Lien Claimholders and/or any of their respective affiliates under or in connection with the First Lien Credit Documents (as in effect on the date hereof or amended in accordance with the terms hereof), including interest, charges, fees, costs, indemnities and expenses, however evidenced, whether as principal, surety, endorser, guarantor or otherwise, whether now existing or hereafter arising, whether arising before, during or after the commencement of an Insolvency or Liquidation Proceeding (including the payment of interest and other amounts which would accrue and become due but for the commencement of such Insolvency or Liquidation Proceeding, whether or not such amounts are allowed or allowable in whole or in part in such Insolvency or Liquidation Proceeding), whether direct or indirect, absolute or contingent, joint or several, due or not due, primary or secondary, liquidated or unliquidated, secured or unsecured, and however acquired by the First Lien Claimholders. To the extent any payment with respect to

the First Lien Secured Obligations (whether by or on behalf of any Grantor, as proceeds of security, enforcement of any right of set-off or otherwise) is declared to be fraudulent or preferential in any respect, set aside or required to be paid to a debtor in possession, trustee, receiver or similar Person, then the obligation or part thereof originally intended to be satisfied shall be deemed to be reinstated and outstanding as if such payment had not occurred.

"First Lien Security Interest" means any Lien on the First Lien Collateral granted in favor of the Collateral Agent for the benefit of the First Lien Claimholders, including under Section 3(i) of the Security Agreement.

"First Lien Trustee" has the meaning set forth in the Preamble hereto.

"GAAP" means generally accepted accounting principles in the United States of America, applied on a consistent basis.

"Governmental Authority" means the government of the United States of America or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

"Grantors" means the Borrower and each of the Subsidiary Guarantors that have executed and delivered, or may from time to time hereafter execute and deliver, a Security Document.

"Hillside-Ampex/Sherborne Agreement" means the amended and restated agreement dated October 3, 2008, among (i) Ampex Corporation and each other member of the Ampex Group (as therein defined), (ii) Hillside and each other member of the Limited Hillside Group (as therein defined), and (iii) Sherborne Holdings Incorporated and each other member of the Sherborne Group (as therein defined).

"Insolvency or Liquidation Proceeding" means (a) any voluntary or involuntary case or proceeding under the Bankruptcy Code with respect to any Grantor, (b) any other voluntary or involuntary insolvency, reorganization or bankruptcy case or proceeding, or any receivership, liquidation, reorganization or other similar case or proceeding with respect to any Grantor or with respect to a material portion of their respective assets, (c) any liquidation, dissolution, reorganization or winding up of any Grantor whether voluntary or involuntary and whether or not involving insolvency or bankruptcy or (d) any assignment for the benefit of creditors or any other marshalling of assets and liabilities of any Grantor.

"Lien" means, with respect to any asset, (a) any mortgage, deed of trust, lien, pledge, hypothecation, encumbrance, charge or security interest in, on or of such asset, (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to such asset and (c) in the case of securities, any purchase option, call or similar right of a third party with respect to such securities.

"Majority Claimholders" means, at any time, (a) Claimholders holding in excess of 50% of the aggregate principal amount of First Lien Secured Obligations at such time and (b) Claimholders holding in excess of 50% of the aggregate principal amount of the Second Lien Secured Obligations at such time.

"Person" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

"Pledged Collateral" has the meaning set forth in Section 5.5 hereof.

"Recovery" has the meaning set forth in Section 6.4 hereof.

"Refinance" means, in respect of any indebtedness, to refinance, extend, renew, defease, amend, modify, supplement, restructure, replace, refund or repay, or to issue other indebtedness, in exchange or replacement for, such indebtedness in whole or in part. "Refinanced" and "Refinancing" shall have correlative meanings.

"Required Claimholders" means, at any time during the Standstill Period, the holders of the First Lien Secured Obligations and thereafter, the holders of the Second Lien Secured Obligations.

"Second Lien Claimholders" means, at any relevant time, the holders of Second Lien Secured Obligations at such time, including without limitation the Second Lien Lender or any Affiliate of the Second Lien Lender under the Second Lien Credit Agreement.

"Second Lien Collateral" has the meaning assigned to that term in the Security Agreement.

"Second Lien Credit Agreement" has the meaning set forth in the Recitals hereto.

"Second Lien Credit Documents" means the Second Lien Credit Agreement, the Security Agreement, the Hillside-Ampex/Sherborne Agreement, the other Loan Documents and each of the other agreements, documents and instruments providing for or evidencing any other Second Lien Secured Obligation, and any other document or instrument executed or delivered at any time in connection with any Second Lien Secured Obligations, including any intercreditor or joinder agreement among holders of Second Lien Secured Obligations, to the extent such are effective at the relevant time, as each may be modified or Refinanced from time to time in accordance with the terms hereof; provided that any such modification does not increase the principal amount thereof beyond the aggregate principal amount of Second Lien Secured Obligations permitted under this Agreement on the date hereof.

"Second Lien Guaranty" has the meaning assigned to that term in the Recitals hereto.

"Second Lien Lender" means the "Lender" under and as defined in the Second Lien Credit Agreement.

"Second Lien Secured Obligations" means all "Loans" outstanding under and as defined in the Second Lien Credit Agreement and the other Second Lien Credit Documents, an aggregate principal amount at any one time outstanding of up to $25,000,000, as such principal amount may be increased by amendments complying with Section 5.3(b) hereof, the Series A Preferred Stock, the guarantees by the Subsidiary Guarantors of the Loans and of the Series A Preferred Stock contained in the Hillside-Ampex/Sherborne Agreement executed and delivered in connection with the Second Lien Credit Agreement, and all other obligations, liabilities and indebtedness of every kind, nature and description owing by the Grantors to the Second Lien Claimholders and/or any of their respective affiliates under or in connection with the Second Lien Credit Documents (as in effect on the date hereof or amended in accordance with the terms thereof and hereof), including interest, charges, fees, costs, indemnities and expenses, however evidenced, whether as principal, surety, endorser, guarantor or otherwise, whether now existing or hereafter arising, whether arising before, during or after the initial or any renewal term of the Second Lien Credit Agreement or after the commencement of an Insolvency or Liquidation Proceeding (including the payment of interest and other amounts which would accrue and become due but for the commencement of such Insolvency or Liquidation Proceeding, whether or not such amounts are allowed or allowable in whole or in part in such Insolvency or Liquidation Proceeding), whether direct or indirect, absolute or contingent, joint or several, due or not due, primary or secondary, liquidated or unliquidated, secured or unsecured, and however acquired by the Second Lien Claimholders. To the extent any payment with respect to the Second Lien Secured Obligations (whether by or on behalf of any Grantor, as proceeds of security, enforcement of any right of set-off or otherwise) is declared to be fraudulent or preferential in any respect, set aside or required to be paid to a debtor in possession, trustee, receiver or similar Person, then the obligation or part thereof originally intended to be satisfied shall be deemed to be reinstated and outstanding as if such payment had not occurred.

"Second Lien Security Interest" means any Lien on the Second Lien Collateral granted in favor of the Collateral Agent for the benefit of the Second Lien Claimholders, including under Section 3(ii) of the Security Agreement.

"Security Agreement" has the meaning set forth in the Recitals hereto.

"Security Documents" means, collectively, the Security Agreement and all Uniform Commercial Code financing statements required by the Security Agreement to be filed with respect to the security interests in personal property and fixtures created pursuant to the Security Agreement.

"Series A Preferred Stock" has the meaning assigned to such term in the Hillside-Ampex/Sherborne Agreement.

"Standstill Period" means the period of 60 days after the date on which the principal of the First Lien Notes is accelerated pursuant to Section 7.02 of the First Lien Note Indenture.

"Subsidiary" means, with respect to any Person (the "parent") at any date, any corporation, limited liability company, partnership, association or other entity the accounts of which would be consolidated with those of the parent in the parent' s consolidated financial statements if such financial statements were prepared in accordance with GAAP as of such date, as well as any other corporation, limited liability company, partnership, association or other entity (a) of which securities or other ownership interests representing more than 50% of the

equity or more than 50% of the ordinary voting power or, in the case of a partnership, more than 50% of the general partnership interests are, as of such date, owned, controlled or held, or (b) that is, as of such date, otherwise Controlled, by the parent or one or more subsidiaries of the parent or by the parent and one or more subsidiaries of the parent. Unless otherwise specified, "Subsidiary" means a Subsidiary of the Borrower.

"Subsidiary Guarantors" has the meaning set forth in the Preamble hereto.

"Transaction Documents" means, the First Lien Credit Documents, the Second Lien Credit Documents and the Plan of Reorganization.

"Uniform Commercial Code" or "UCC" means the Uniform Commercial Code (or any similar or equivalent legislation) as in effect in any applicable jurisdiction.

1.2 Terms Generally. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation." The word "will" shall be construed to have the same meaning and effect as the word "shall". Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified, (b) any reference herein to any Person shall be construed to include such Person' s successors and assigns, (c) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Exhibits or Sections shall be construed to refer to Exhibits or Sections of this Agreement and (e) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

Section 2. Lien Priorities.

2.1 Relative Priorities. Notwithstanding the date, manner or order of grant, attachment or perfection of any Liens securing the Second Lien Secured Obligations granted on the Collateral, or of any Liens securing the First Lien Secured Obligations granted on the Collateral and notwithstanding any provision of the UCC or any other applicable law or the provisions of the Second Lien Credit Documents or any other circumstance whatsoever (including, without limitation, the time, order or method of grant, attachment, recording or perfection of any financing statements or other security interests, assignments, pledges, deeds, mortgages and other liens, charges or encumbrances or any defect or deficiency or alleged defect or deficiency in any of the foregoing, or the fact that any such Liens securing First Lien Secured Obligations are at any time (x) subordinated to any Lien securing any obligation of any Person or to any Indebtedness in favor of any Person or (y) otherwise subordinated, voided, avoided, invalidated or lapsed), the Second Lien Lender, for itself and on behalf of the Second Lien Claimholders, hereby agrees that: (a) any Lien on the Collateral securing any First Lien Secured Obligations now or hereafter held by or on behalf of the First Lien Trustee or any First Lien Claimholders or any agent or trustee therefor, regardless of how acquired, whether by grant,

possession, statute, operation of law, subrogation or otherwise, shall be senior in all respects and prior to any Lien on the Collateral securing any Second Lien Secured Obligations; and (b) any Lien on the Collateral now or hereafter held by or on behalf of any Second Lien Claimholders or any agent or trustee therefor, regardless of how acquired, whether by grant, possession, statute, operation of law, subrogation or otherwise, shall be junior and subordinate in all respects to all Liens on the Collateral securing any First Lien Secured Obligations. All Liens on the Collateral securing any First Lien Secured Obligations shall be and remain senior in all respects and prior to all Liens on the Collateral securing any Second Lien Secured Obligations for all purposes, regardless of the time, order or method of grant, attachment, recording or perfection of any financing statements or other security interests, assignments, pledges, deeds, mortgages and other liens, charges or encumbrances or any defect or deficiency or alleged defect or deficiency in any of the foregoing, or the fact that any such Liens in favor of any First Lien Trustee are (x) subordinated to any Lien securing any obligation of any Person or to any Indebtedness in favor of any Person or (y) otherwise subordinated, voided, avoided, invalidated or lapsed.

2.2 Prohibition on Contesting Liens. Each of the Second Lien Lender, for itself and on behalf of each Second Lien Claimholder, and the First Lien Trustee, for itself and on behalf of each First Lien Claimholder, agrees that it shall not (and hereby waives any right to) contest, or support any other Person in contesting, in any proceeding (including any Insolvency or Liquidation Proceeding), the priority, validity or enforceability of a Lien held by or on behalf of any of the First Lien Claimholders in the First Lien Collateral or by or on behalf of any of the Second Lien Claimholders in the Second Lien Collateral, as the case may be; provided that nothing in this Agreement shall be construed to prevent or impair the rights of the First Lien Trustee or any First Lien Claimholder to enforce this Agreement, including the priority of the Liens securing the First Lien Secured Obligations as provided in Sections 2.1 and 3.1, the application of proceeds of Collateral in Section 4.1, the turnover of payments in Section 4.2 and the release of the Liens encumbering the Collateral as provided in Section 5.

2.3 No New Liens. So long as the Discharge of First Lien Secured Obligations has not occurred, whether or not any Insolvency or Liquidation Proceeding has been commenced by or against the Borrower or any Subsidiary Guarantor, the parties hereto agree that the Borrower shall not, and shall not permit any Subsidiary Guarantor to, (i) grant or permit any additional Liens on any asset or property to secure any Second Lien Secured Obligation by the Borrower, a Subsidiary Guarantor or any Subsidiary thereof unless such entity has granted a Lien on such asset or property to secure the First Lien Secured Obligations, (ii) grant or permit any additional Liens on any asset or property to secure any First Lien Secured Obligations by the Borrower, a Subsidiary Guarantor or any Subsidiary thereof unless such entity has granted a Lien on such asset or property to secure the Second Lien Secured Obligations, (iii) cause a Subsidiary to guarantee any Second Lien Secured Obligations unless it has caused such Subsidiary to guarantee the First Lien Secured Obligations on the same terms hereof and (iv) cause a Subsidiary to guarantee any First Lien Secured Obligations unless it has caused such Subsidiary to guarantee the Second Lien Secured Obligations on the same terms hereof. To the extent that the foregoing provisions are not complied with for any reason, without limiting any other rights and remedies available to the First Lien Trustee and/or the First Lien Claimholders, the Second Lien Lender, for itself and on behalf of the Second Lien Claimholders, agrees that any amounts received by or distributed to any of them pursuant to or as a result of Liens granted in contravention of this Section 2.3 shall be subject to Section 4.2.

2.4 Similar Liens and Agreements. The parties hereto agree that it is their intention that the First Lien Collateral and the Second Lien Collateral be identical. In furtherance of the foregoing and of Section 9.9, the parties hereto agree, subject to the other provisions of this Agreement:

(a) upon request by the First Lien Trustee or the Second Lien Lender, to cooperate in good faith (and to direct their counsel to cooperate in good faith) from time to time in order to determine the specific items included in the First Lien Collateral and the Second Lien Collateral and the steps taken to perfect their respective Liens thereon and the identity of the respective parties obligated under the First Lien Credit Documents and the Second Lien Credit Documents; and

(b) that the documents and agreements creating or evidencing the First Lien Collateral and the Second Lien Collateral for the First Lien Secured Obligations and the Second Lien Secured Obligations shall be in all material respects the same forms of documents other than with respect to the first lien and the second lien nature of the Obligations thereunder.

Section 3. Enforcement.

3.1 Exercise of Remedies.

(a) The First Lien Claimholders and the Second Lien Claimholders agree that, except as otherwise expressly provided in this Section 3.1, the Collateral Agent shall have the exclusive right to exercise all rights and remedies under the Security Documents and otherwise with respect to the Collateral (including, without limitation, the exercise of any right under any lockbox agreement, account control agreement, landlord waiver or bailee' s letter or similar agreement or arrangement) and to institute any action or proceeding with respect to such rights or remedies (including any action of foreclosure), provided that (i) prompt notice of any exercise of any rights and remedies under the Security Documents shall have been provided by the Collateral Agent to the First Lien Trustee and the Second Lien Lender and (ii) in exercising any such right or remedy and taking any such action the Collateral Agent shall in all cases act or refrain from acting at the direction of the First Lien Claimholders and/or the Second Lien Claimholders given in accordance with the terms of this Agreement.

(b) So long as the Discharge of First Lien Secured Obligations has not occurred, whether or not any Insolvency or Liquidation Proceeding has been commenced by or against the Borrower or any other Grantor:

(i) Until the expiration of the Standstill Period, the First Lien Trustee shall have the exclusive right to (x) direct the Collateral Agent to enforce rights, exercise remedies and make determinations regarding the release, disposition, or restrictions with respect to the Collateral as provided in Section 3.1(a) in the sole discretion of the First Lien Trustee on behalf of the First Lien Claimholders without any consultation with or consent of the Second Lien Lender or any other Second Lien Claimholder and (y) set-off and credit bid the First Lien Secured Obligations; provided that (A) in any Insolvency or Liquidation Proceeding commenced by or against the Borrower or any other Grantor, a

Second Lien Claimholder may file a claim or statement of interest with respect to the Second Lien Secured Obligations held by it, (B) a Second Lien Claimholder may take any action (not adverse to the prior Liens on the Collateral securing the First Lien Secured Obligations and the rights to exercise rights in respect thereof in accordance with the terms hereof and not inconsistent with the terms of this Agreement) in order to preserve or protect any Lien securing the Second Lien Secured Obligations, (C) the Second Lien Claimholders shall be entitled to file any necessary responsive or defensive pleadings in opposition to any motion, claim, adversary proceeding or other pleading made by any person objecting to or otherwise seeking the disallowance of the claims of the Second Lien Claimholders, including without limitation any claims secured by the Collateral, if any, in each case in accordance with the terms of this Agreement, (D) the Second Lien Claimholders shall be entitled to file any pleadings, objections, motions or agreements which assert rights or interests available to unsecured creditors of the Grantors arising under either Bankruptcy Law or applicable non-bankruptcy law, in each case in accordance with the terms of this Agreement, (E) the Second Lien Claimholders shall be entitled to file any proof of claim and other filings and make any arguments and motions that are, in each case, in accordance with the terms of this Agreement, with respect to the Second Lien Secured Obligations and the Collateral and (F) after the termination of the Standstill Period, the Second Lien Claimholders shall have the rights specified in clause (iii) below. Any such exercise and enforcement by the Collateral Agent at the direction of the First Lien Trustee shall include the rights of an agent appointed by the Collateral Agent to sell or otherwise dispose of Collateral upon foreclosure, to incur expenses in connection with such sale or disposition, and to exercise all the rights and remedies of a secured creditor under the Uniform Commercial Code of any applicable jurisdiction and of a secured creditor under Bankruptcy Laws of any applicable jurisdiction.

(ii) The Second Lien Claimholders (A) will not contest, protest or object to any foreclosure proceeding or action brought by the Collateral Agent at the direction of the First Lien Trustee or any other exercise by the Collateral Agent at the direction of the First Lien Trustee of any rights and remedies relating to the Collateral under the Transaction Documents or otherwise and (B) subject to their rights under clause (iii) below, will not object to the forbearance by the Collateral Agent (at the direction of the First Lien Trustee) from bringing or pursuing any foreclosure proceeding or action or any other exercise of any rights or remedies relating to the Collateral, in each case so long as the respective interests of the Second Lien Claimholders attach to the proceeds thereof subject to the relative priorities described in Section 2 and Section 4 hereof.

(iii) Upon the termination of the Standstill Period, the Second Lien Claimholders shall have the right to (x) direct the Collateral Agent to enforce rights, exercise remedies and make determinations regarding the release, disposition, or restrictions with respect to the Collateral as provided in Section 3.1(a) (prompt notice of such direction to be given to the First Lien Trustee) and (y) set-off and credit bid the Second Lien Secured Obligations, provided, that notwithstanding anything herein to the contrary, in no event shall any Second Lien Claimholder have the right to so direct the Collateral Agent if and for so long as, notwithstanding the expiration of the Standstill Period, the Collateral Agent shall have received direction from the First Lien Trustee

prior to the termination of the Standstill Period regarding the exercise of any of its rights or remedies with respect the Collateral and shall be diligently pursuing the same or if any Insolvency or Liquidation Proceeding has been commenced in respect of any Grantor and the First Lien Claimholders have been stayed by operation of law or any court order from pursuing any such exercise of remedies, and further provided, that any Collateral or proceeds thereof or any other payment, in each case received by the Second Lien Claimholders prior to the Discharge of First Lien Secured Obligations at any time shall be segregated and held in trust and promptly forthwith paid over to the First Lien Trustee for the benefit of the First Lien Claimholders in the same form as received in accordance with and to the extent required by Section 4.2.

(c) The Second Lien Lender, for itself and on behalf of the Second Lien Claimholders, agrees that it will not take or receive any Collateral or any proceeds of Collateral in connection with the exercise of any right or remedy (including set-off) with respect to any Collateral, unless and until the Discharge of First Lien Secured Obligations has occurred. Without limiting the generality of the foregoing, unless and until the Discharge of First Lien Secured Obligations has occurred, the sole right of the Second Lien Lender and the Second Lien Claimholders with respect to the Collateral is to hold a Lien on the Collateral pursuant to the Security Agreement and to receive a share of the proceeds thereof, if any, after the Discharge of the First Lien Secured Obligations has occurred. The Second Lien Lender, for itself and on behalf of the Second Lien Claimholders hereby acknowledges and agrees that no covenant, agreement or restriction contained in the Second Lien Credit Documents (other than this Agreement) shall be deemed to restrict in any way the rights and remedies with respect to the Collateral as set forth in this Agreement and the First Lien Credit Documents.

(d) Subject to the foregoing clauses (b)(i) and (iii), the Second Lien Lender, for itself and on behalf of the Second Lien Claimholders, (i) agrees that the Second Lien Lender and the Second Lien Claimholders will not take any action that would hinder any exercise of remedies under the Security Documents or is otherwise prohibited hereunder, including any sale, lease, exchange, transfer or other disposition of the Collateral, whether by foreclosure or otherwise, and (ii) hereby waives any and all rights it or the Second Lien Claimholders may have as a junior lien creditor or otherwise to object to the manner in which the Collateral Agent or the First Lien Claimholders seek to enforce or collect the First Lien Secured Obligations or the Liens granted in any of the First Lien Collateral, regardless of whether any action or failure to act by or on behalf of the Collateral Agent or the First Lien Claimholders is adverse to the interest of the Second Lien Claimholders.

3.2 No Enforcement. Until the expiration of the Standstill Period and subject to Section 3.1(b)(iii), the Second Lien Lender, for itself and on behalf of the Second Lien Claimholders, agrees that, unless and until the Discharge of First Lien Secured Obligations has occurred, it will not commence, or join with any Person in commencing, any enforcement, collection, execution, levy or foreclosure action or proceeding (including, without limitation, any Insolvency or Liquidation Proceeding) with respect to any Lien held by it under the Security Documents.

Section 4. Payments.

4.1 Applications of Proceeds; Subordination.

(a) No Payments on Second Lien Secured Obligations.

(i) So long as the Discharge of First Lien Secured Obligations has not occurred, the Second Lien Lender agrees for itself and on behalf of the Second Lien Claimholders that other than as provided in this subsection (a): (x) no payment shall be made in respect of the Second Lien Secured Obligations, directly or indirectly, by or on behalf of the Borrower or any Subsidiary Guarantor and (y) the Second Lien Claimholders shall not take or receive from the Borrower, any Subsidiary Guarantor or any Person on the Borrower or any Subsidiary Guarantor' s behalf, directly or indirectly, in cash or other property or by set-off or in any other manner, including from or by way of any Collateral, any payment in respect of the Second Lien Secured Obligations.

(ii) The Borrower, the Subsidiary Guarantors and the Second Lien Lender on behalf of the Second Lien Claimholders agree that the Second Lien Secured Obligations are expressly "subordinate and junior in right of payment" (as that phrase is defined in clause (iii) below) to all First Lien Secured Obligations.

(iii) "Subordinate and junior in right of payment" means that none of the Second Lien Claimholders shall have a claim to the assets of any Borrower or Subsidiary Guarantor on a parity with or prior to the claim of the First Lien Claimholders; and so long as the Discharge of First Lien Secured Obligations has not occurred, the Second Lien Claimholders shall not demand or directly or indirectly accept or receive from any of the Borrower or the Subsidiary Guarantors and the Borrower and the Subsidiary Guarantors will not make, give or permit, directly or indirectly, by set-off, redemption, purchase or in any other manner, any payment or pre-payment of (of whatever kind or nature, whether in cash, property, securities, or otherwise) the whole or any part of the Second Lien Secured Obligations, including without limitation any letter of credit or similar credit support facility to support payment of the Second Lien Secured Obligations; provided that payments of regularly scheduled interest on the Second Lien Secured Obligations may be paid by the Borrower and received by the Second Lien Lender, if and solely to the extent such payments do not violate Section 5.13 of the First Lien Indenture, and (B) the Second Lien Claimholders may accelerate the Second Lien Secured Obligations and exercise their rights and remedies with respect to the Collateral in the manner permitted in Section 3.1, in each case subject to Section 4.2.

(iv) The Borrower, the Subsidiary Guarantors, the Collateral Agent, and the Second Lien Lender, on behalf of itself and the Second Lien Claimholders, agree that upon the occurrence of any Insolvency or Liquidation Proceeding:

A. all First Lien Secured Obligations shall be paid in full in cash before any payment or distribution of whatever kind or nature is made with respect to the Second Lien Secured Obligations; and

B. any payment or distribution of assets of any Borrower or Subsidiary Guarantor, whether in cash, property or securities, to which the Second Lien Claimholders would be entitled except for the provisions hereof, shall be paid or delivered by the Borrower or the Subsidiary Guarantors, or any receiver, trustee in bankruptcy, liquidating trustee, disbursing agent or other Person making such payment or distribution, directly to the First Lien Trustee, to the extent necessary to pay in full in cash all First Lien Secured Obligations, before any payment or distribution of any kind or nature shall be made to the Second Lien Claimholders.

(b) Proceeds of Collateral. So long as an Event of Default has occurred and is continuing, any Collateral or proceeds thereof received by the Collateral Agent in connection with the sale or other disposition of, or collection on, such Collateral upon the exercise of remedies, shall be applied by the Collateral Agent in the following order of priority:

(i) first, to the payment of the costs and expenses of any such sale, disposition, collection, or other exercise of remedies, including reasonable out-of-pocket costs and expenses of the Collateral Agent and the fees and expenses of its agents and counsel, and all expenses incurred and advances made by the Collateral Agent in connection therewith;

(ii) second, to the payment in full in cash of the First Lien Secured Obligations in such order as specified in the relevant First Lien Credit Documents;

(iii) third, to the payment in full in cash of the Second Lien Secured Obligations, in each case equally and ratably in accordance with the respective amounts thereof then due and owing or as the Second Lien Claimholders may otherwise agree; and

(iv) fourth, to the payment to the Obligors, or their respective successors or assigns, or as a court of competent jurisdiction may direct, of any surplus then remaining.

Upon the Discharge of the First Lien Secured Obligations, each First Lien Claimholder shall deliver to the Collateral Agent any excess proceeds of Collateral held by such First Lien Claimholder in the same form as received, with any necessary endorsements or as a court of competent jurisdiction may otherwise direct to be applied by the Collateral Agent and the Second Lien Claimholders as is specified herein.

4.2 Turnover of Payments. So long as the Discharge of First Lien Secured Obligations has not occurred, any Collateral or proceeds thereof (together with assets or proceeds subject to Liens referred to in the final sentence of Section 2.3) and any payment or distribution, whether consisting of money, property or securities collected or received by the Second Lien Lender or any Second Lien Claimholders in respect of the Second Lien Secured Obligations, both before and after commencement of any Liquidation or Insolvency Proceeding and including specifically any distribution on account of any proof of claim or interest of any Second Lien

Claimholders in any Liquidation or Insolvency Proceeding, in contravention of this Agreement shall be segregated and held in trust and forthwith paid over to the First Lien Trustee for the benefit of the First Lien Claimholders in the same form as received, with any necessary endorsements or as a court of competent jurisdiction may otherwise direct and the Second Lien Lender shall promptly notify the First Lien Trustee of the receipt of such payment or distribution. The Collateral Agent is hereby authorized to make any such endorsements as agent for the Second Lien Lender or any such Second Lien Claimholders. This authorization is coupled with an interest and is irrevocable until such time as this Agreement is terminated in accordance with its terms. For avoidance of doubt, regularly scheduled payments of interest received by the Second Lien Lender in respect of the Second Lien Secured Obligations solely to the extent permitted as described in Section 4.1(a)(iii) and payment of fees and expenses permitted under Section 5.13 of the First Lien Indenture, shall not be subject to turn over pursuant to this Section 4.2.

Section 5. Other Agreements.

5.1 Releases.

(a) If, in connection with:

(i) the exercise of any of the Collateral Agent' s remedies in respect of the Collateral provided for in Section 3.1, including any sale, lease, exchange, transfer or other disposition of any such Collateral; or

(ii) any sale, lease, exchange, transfer or other disposition (collectively, a "Disposition") of any Collateral permitted under the terms of the Transaction Documents,

the Collateral Agent, for itself or on behalf of any of the First Lien Claimholders in accordance with Section 5.1(c), releases any First Lien Security Interest, other than in connection with the Discharge of First Lien Secured Obligations, then any Second Lien Security Interest in such Collateral and the obligations of such Grantor under its Second Lien Guaranty shall be automatically, unconditionally and simultaneously released and the Collateral Agent, for itself and on behalf of the Second Lien Claimholders, promptly shall execute such termination statements, releases and other documents as may be reasonably required to confirm such release. For avoidance of doubt, this Section 5.1 shall not apply to any release of a Lien that does not facilitate a concurrent Disposition of released Collateral to a Person who is neither a Grantor nor an Affiliate of a Grantor (which release shall require the specific approvals provided under both the First Lien Indenture and the Second Lien Credit Agreement) or that is not in connection with the exercise of remedies in respect of the Collateral provided for in Section 3.1.

(b) Until the Discharge of First Lien Secured Obligations occurs, to the extent that the Collateral Agent (acting at the direction of the First Lien Claimholders) (i) has released any Lien on Collateral or any Grantor from its obligation under its guaranty and any such Liens or guaranty are later reinstated or (ii) obtains any new first priority liens or additional guarantees from Grantors, then the Collateral Agent shall be granted a second priority lien on any such Collateral and an additional guaranty, as the case may be, for the benefit of the Second Lien Claimholders. Until the Discharge of First Lien Secured Obligations occurs, to the extent that

the Collateral Agent or the Second Lien Claimholders obtain any new Liens or additional guarantees from Grantors, then the Collateral Agent shall be granted a first priority Lien on any such Collateral and an additional guaranty, as the case may be, on the same terms for the benefit of the First Lien Claimholders.

(c) Until the Discharge of First Lien Secured Obligations occurs, the Collateral Agent shall not take any action to release any First Lien Security Interest unless it has been directed to do so by the First Lien Trustee.

5.2 Insurance. Unless and until the Discharge of First Lien Secured Obligations has occurred, the Collateral Agent, acting at the direction of the First Lien Trustee on behalf of the First Lien Claimholders, shall have the sole and exclusive right, subject to the rights of the Grantors under the Transaction Documents, to adjust settlement for any insurance policy covering the Collateral in the event of any loss thereunder and to approve any award granted in any condemnation or similar proceeding (or any deed in lieu of condemnation) affecting the Collateral. Unless and until the Discharge of First Lien Secured Obligations has occurred, and subject to the rights of the Grantors under the Security Documents, all proceeds of any such policy and any such award (or any payments with respect to a deed in lieu of condemnation) if in respect to the Collateral shall be applied as provided in Section 4.1(b) this Agreement. Until the Discharge of First Lien Secured Obligations has occurred, if the Second Lien Lender or any Second Lien Claimholders shall, at any time, receive any proceeds of any such insurance policy or any such award or payment in contravention of this Agreement and the First Lien Indenture, it shall segregate and hold in trust and forthwith pay such proceeds over to the Collateral Agent in accordance with the terms of Section 4.2 of this Agreement.

5.3 Amendments to First Lien Credit Documents and Second Lien Credit Documents.

(a) Without the prior written consent of the Second Lien Lender no First Lien Credit Document may be Refinanced, amended, supplemented or otherwise modified or entered into to the extent such Refinancing, amendment, supplement or modification, or the terms of any new First Lien Credit Document would:

(i) contravene the provisions of this Agreement;

(ii) change any Collateral for the First Lien Secured Obligations (other than to release such Collateral from the First Lien Security Interest or to provide for additional Collateral that secures both the First Lien Secured Obligations and Second Lien Secured Obligations in accordance with the terms of this Agreement);

(iii) increase the principal amount of the First Lien Notes in excess of $3,658,080;

(iv) increase the stated interest rate other than increase by operation of application of the default rate or the amount of fees payable thereunder;

(v) change any dates upon which payments of principal or interest are due thereon;

(vi) change the prepayment provisions thereof;

(vii) increase materially the obligations of the Borrower or Subsidiary Guarantors thereunder or to confer any additional material rights on the noteholders under the First Lien Indenture (or a representative on their behalf) which would be adverse to the Borrower or the Subsidiary Guarantors or Second Lien Lender or the Second Lien Claimholders; or

(viii) change Section 5.13 of the First Lien Indenture or any defined term referenced therein.

(b) Without the prior written consent of the First Lien Trustee, no Second Lien Credit Document may be Refinanced, amended, supplemented or otherwise modified to the extent such amendment, supplement or modification, or the terms of any new Second Lien Credit Document would:

(i) contravene the provisions of this Agreement;

(ii) change (to earlier dates) any dates upon which payments of principal, interest or fees are due in respect of the Second Lien Secured Obligations;

(iii) change any Collateral for the Second Lien Secured Obligations (other than to release such Collateral from the Second Lien Security Interest or to provide for additional Collateral that secures both the First Lien Secured Obligations and Second Lien Secured Obligations in accordance with the terms of this Agreement);

(iv) increase the principal amount of the Loans under the Second Lien Credit Documents in excess of $25,000,000;

(v) change the prepayment provisions thereof;

(vi) increase the stated interest rate other than increase by operation of application of the default rate or the amount of fees payable thereunder; or

(vii) increase materially the obligations of the Borrower or Subsidiary Guarantors thereunder or to confer any additional material rights on the Second Lien Lender (or a representative on their behalf) or the Second Lien Claimholders which would be adverse to the Borrower or the Subsidiary Guarantors or the First Lien Claimholders; or

(viii) change any section of the Second Lien Credit Agreement referenced herein or in the Security Agreement or any defined terms referenced therein.

Without limiting the foregoing, the Second Lien Credit Agreement may not be Refinanced unless (1) the terms and conditions of such Refinancing debt are no less favorable in the aggregate to the First Lien Claimholders than the Second Lien Credit Documents, (2) the holders of such Refinancing debt (directly or through an agent) shall bind themselves in writing (in form and substance satisfactory to the First Lien Trustee) to the terms of this Agreement and the collateral

agent under such Refinancing debt shall execute a joinder agreement and (3) such Refinancing shall not contravene the provisions of this Agreement. The Second Lien Lender on behalf of the Second Lien Claimholders agrees that, so long as the Discharge of First Lien Secured Obligations has not occurred, it will not take or omit to take any action whereby the subordination hereunder of all of any part of the Second Lien Secured Obligations may be impaired.

(c) The parties hereto agree that each Second Lien Credit Document shall include the following language (or language to similar effect approved by the First Lien Trustee):

> "Notwithstanding anything herein to the contrary, the obligations hereunder and the lien and security interest granted pursuant to this Agreement are subject to the provisions of the Collateral Agency and Intercreditor Agreement, dated as of October 3, 2008 (as amended, restated, supplemented or otherwise modified from time to time, the "Intercreditor Agreement"), by and among Ampex Corporation ("Ampex"), the subsidiaries of Ampex party thereto, as subsidiary guarantors, Hillside Capital Incorporated ("Hillside") in its capacity as collateral agent for the First Lien Claimholders and Second Lien Claimholders (as such terms are defined therein), U.S. Bank National Association in its capacity as indenture trustee under the indenture for the 12% Senior Secured Notes due 2009 of Ampex, and Hillside, as lender under that certain Credit Agreement, dated of October 3, 2008 by and among Ampex and the Subsidiary Guarantors and certain other persons party or that may become party thereto from time to time. In the event of any conflict between the terms of the Intercreditor Agreement and this Agreement, the terms of the Intercreditor Agreement shall govern and control."

provided, that no legend, assignment or endorsement or delivery of notes, guarantees or instruments shall be necessary to subject any Second Lien Secured Obligations to the provisions of this Agreement.

5.4 Rights As Unsecured Creditors. Except as otherwise set forth in Sections 2.1, 3.1(d), 4 and 6 of this Agreement, the Second Lien Lender and the Second Lien Claimholders may exercise rights and remedies as unsecured creditors against the Borrower or any Subsidiary Guarantor that has guaranteed the Second Lien Secured Obligations in accordance with the terms of the Second Lien Credit Documents and applicable law. Except as otherwise set forth in Sections 2.1, 3.1(d), 4 and 6 of this Agreement, nothing in this Agreement shall prohibit the receipt by the Second Lien Lender or any Second Lien Claimholders of the required payments of interest so long as such payments are not the direct or indirect result of the exercise by the Second Lien Lender or any Second Lien Claimholder (or the Collateral Agent on their behalf) of rights and remedies as a secured creditor (including set-off) or enforcement in contravention of this Agreement of any Second Lien Security Interest. Nothing in this Agreement impairs or otherwise adversely affects any rights or remedies the Collateral Agent, the First Lien Trustee or the other First Lien Claimholders may have with respect to the First Lien Collateral. In the event that any Second Lien Claimholder becomes a judgment lien creditor in respect of Collateral as a result of its enforcement of its rights as an unsecured creditor, such judgment lien shall be subject to the terms of this Agreement for all purposes (including in relation to the First Lien Collateral and the First Lien Secured Obligations) to the same extent as the other Second Lien Security Interests are subject to this Agreement.

5.5 Bailee for Perfection.

(a) The Collateral Agent agrees to hold that part of the Collateral that is in its possession or control (or in the possession or control of its agents or bailees), to the extent that possession or control thereof is taken to perfect a Lien thereon under the Uniform Commercial Code (such Collateral being the "Pledged Collateral"), as collateral agent on behalf and for the benefit of the First Lien Claimholders and the Second Lien Claimholders and any assignee of any of them solely for the purpose of perfecting the First Lien Security Interests and the Second Lien Security Interests, respectively, subject to the terms and conditions of this Section 5.5.

(b) The Collateral Agent shall have no obligation whatsoever to the First Lien Trustee, the First Lien Claimholders, the Second Lien Lender or any other Second Lien Claimholders to ensure that the Pledged Collateral is genuine or owned by any of the Grantors or to preserve rights or benefits of any Person except as expressly set forth in this Section 5.5. The duties or responsibilities of the Collateral Agent under this Section 5.5 shall be limited solely to holding the Pledged Collateral as bailee in accordance with this Section 5.5.

(c) The Collateral Agent acting pursuant to this Section 5.5 shall not have by reason of the this Agreement, the Security Agreement or any other document a fiduciary relationship in respect of the First Lien Trustee, the First Lien Claimholders, the Second Lien Lender or any other Second Lien Claimholders.

(d) Upon the Discharge of the First Lien Secured Obligations, the Collateral Agent shall continue to hold the Pledged Collateral (if any) on behalf of the Second Lien Claimholders.

5.6 First Lien Secured Obligation Purchase Rights.

(a) Without prejudice to the enforcement of the First Lien Claimholders' remedies, the First Lien Claimholders agree that, after the acceleration of the principal amount of the First Lien Secured Obligations and at least five (5) Business Days prior to the taking by the First Lien Claimholders or the Collateral Agent (at their direction) of any other Enforcement Action pertaining to the First Lien Secured Obligations in accordance with the terms of the First Lien Indenture or the Security Agreement, the First Lien Claimholders will offer the Second Lien Claimholders the option to purchase the entire aggregate amount of outstanding First Lien Secured Obligations at par plus accrued and unpaid interest and fees, and premium, if any, in cash, without warranty or representation or recourse. The Second Lien Claimholders shall accept or reject such offer within ten (10) Business Days after delivery of such notice (it being understood and agreed that failure to give written notice of such acceptance within such 10-Business Day period shall be deemed a rejection of such offer). If the Second Lien Claimholders accept such offer, it shall be exercised pursuant to documentation mutually acceptable to each of the First Lien Trustee and the Second Lien Lender and the parties shall endeavor to close promptly thereafter but in any event within fifteen (15) Business Days of acceptance by the Second Lien Claimholder. If the Second Lien Claimholders reject (or are deemed to reject such offer) such offer, the First Lien Claimholders shall have no further obligations pursuant to this Section 5.6(a) and may take any further actions in their sole discretion in accordance with the First Lien Credit Documents and this Agreement. For the avoidance of doubt, such offer is required to be made only once prior to commencing any Enforcement Action.

(b) In connection with each proposed sale of Collateral pursuant to Section 5.05 of the Security Agreement (at the direction of the First Lien Trustee) to a prospective purchaser (each, a "Proposed Sale"), the Collateral Agent shall, prior to committing to consummate such Proposed Sale, provide the Second Lien Lender reasonable prior notice thereof, which notice shall state the name of the proposed purchaser thereof, the portion of the Collateral proposed to be sold, the proposed sale price thereof, the proposed trade date therefor (the "Proposed Trade Date") and any other material terms of such Proposed Sale.

5.7 Coordination. The First Lien Trustee and the Second Lien Lender acknowledge that, pursuant to Sections 6.09 of the Second Lien Credit Agreement and Section 5.17 of the First Lien Indenture, the Borrower has undertaken parallel obligations to the First Lien Claimholders and the Second Lien Claimholders with respect to the subject matter of such sections. In order to coordinate and harmonize the obligations of the Grantors under such Section 6.09 and such Section 5.17, the Collateral Agent, the Second Lien Lender and the First Lien Trustee each agree to consult with each other and cooperate in establishing a unitary set of requirements pursuant to which the Grantors shall satisfy their respective obligations under such Section 6.09 and Section 5.17.

Section 6. Insolvency or Liquidation Proceedings.

6.1 Relief from the Automatic Stay. Until the Discharge of First Lien Secured Obligations has occurred, the Second Lien Lender, for itself and on behalf of the Second Lien Claimholders, and the Collateral Agent agrees that none of them shall seek relief from the automatic stay or any other stay in any Insolvency or Liquidation Proceeding in respect of the Collateral, without the prior written consent of the First Lien Trustee.

6.2 Adequate Protection. The Second Lien Lender, for itself and on behalf of the Second Lien Claimholders, agrees that none of them shall contest (or support any other person contesting) (a) any request by the First Lien Trustee or the other First Lien Claimholders for adequate protection or (b) any objection by the First Lien Trustee or the other First Lien Claimholders to any motion, relief, action or proceeding based on the First Lien Trustee or the other First Lien Claimholders claiming a lack of adequate protection. Notwithstanding the foregoing provisions in this Section 6.2, in any Insolvency or Liquidation Proceeding, (i) if the First Lien Claimholders (or any subset thereof) are granted adequate protection in the form of additional collateral in connection with any DIP Financing, then the Second Lien Lender, for itself and on behalf of any of the Second Lien Claimholders, may seek or request adequate protection in the form of a Lien on such additional collateral, which Lien will be subordinated to the Liens securing the First Lien Secured Obligations and such DIP Financing (and all Obligations relating thereto) on the same basis as the other Liens securing the Second Lien Secured Obligations are so subordinated to the First Lien Secured Obligations under this Agreement, and (ii) in the event the Second Lien Lender, for itself and on behalf of the Second Lien Claimholders, seeks or requests adequate protection in respect of Second Lien Secured Obligations and such adequate protection is granted in the form of additional collateral, then the Second Lien Lender, for itself and on behalf of any of the Second Lien Claimholders, agrees that the First Lien Claimholders shall also be granted a senior Lien on such additional collateral as security for the First Lien Secured Obligations and that any Lien on such additional collateral securing the Second Lien Secured Obligations shall be subordinated to the Liens on such

collateral securing the First Lien Secured Obligations and to any other Liens granted to the First Lien Claimholders as adequate protection on the same basis as the other Liens securing the Second Lien Secured Obligations are so subordinated to such First Lien Secured Obligations under this Agreement. Each of the First Lien Claimholders and the Second Lien Claimholders shall be entitled to seek cash adequate protection payments, provided that in the case of the Second Lien Claimholders, such cash adequate protection payments shall be subject to Section 4.2 of this Agreement to the extent that such cash adequate protection is paid from proceeds of Collateral disposed of outside of the ordinary course of business. Nothing shall herein limit the rights of the Second Lien Claimholders from seeking adequate protection with respect to their rights in the Collateral and during any Insolvency or Liquidation Proceeding in the form of cash payments with respect to interest on the Second Lien Secured Obligations, provided either (1) as adequate protection for the First Lien Secured Obligations, the First Lien Trustee, on behalf of the First Lien Claimholders, is also granted cash payments with respect to interest on the First Lien Secured Obligations, or (2) such cash payments do not exceed an amount equal to the interest accruing on the principal amount of Second Lien Secured Obligations outstanding on the date such relief is granted at the interest rate as in effect on the date hereof under the Second Lien Credit Documents and accruing from the date the Second Lien Lender is granted such relief. Notwithstanding anything herein to the contrary, the First Lien Claimholders shall not be deemed to have consented to the grant of adequate protection in the form of cash payments to the Second Lien Claimholders made pursuant to this Section 6.2.

6.3 No Waiver. Subject to the proviso in clause (i) of Section 3.1(b) of this Agreement, nothing contained herein shall prohibit or in any way limit the First Lien Trustee or any other First Lien Claimholder from objecting in any Insolvency or Liquidation Proceeding or otherwise to any action taken by the Second Lien Lender or any other Second Lien Claimholder, including the seeking by the Second Lien Lender or any other Second Lien Claimholder of adequate protection or the asserting by the Second Lien Lender or any other Second Lien Claimholder of any of its rights and remedies under the Second Lien Credit Documents or otherwise.

6.4 Avoidance Issues. If any First Lien Claimholder is required in any Insolvency or Liquidation Proceeding or otherwise to disgorge, turn over or otherwise pay to the estate of any Grantor, because such amount was avoided or ordered to be paid or disgorged for any reason, including without limitation because it was found to be a fraudulent or preferential transfer, any amount (a "Recovery"), whether received as proceeds of security, enforcement of any right of set-off or otherwise, then the claims of the First Lien Claimholders shall be reinstated to the extent of such Recovery and deemed to be outstanding as if such payment had not occurred and the Discharge of the First Lien Secured Obligations shall be deemed not to have occurred. If this Agreement shall have been terminated prior to such Recovery, this Agreement shall be reinstated in full force and effect, and such prior termination shall not diminish, release, discharge, impair or otherwise affect the obligations of the parties hereto. The Second Lien Claimholders agree that none of them shall be entitled to benefit from any avoidance action affecting or otherwise relating to any distribution or allocation made in accordance with this Agreement, whether by preference of otherwise, it being understood and agreed that the benefit of such avoidance action otherwise allocable to them shall instead by allocated and turned over to the Collateral Agent for application in accordance with the priorities set forth in this Agreement.

6.5 Reorganization Securities. If, in any Insolvency or Liquidation Proceeding, debt obligations of the reorganized debtor secured by Liens upon any property of the reorganized debtor are distributed pursuant to a plan of reorganization or similar dispositive restructuring plan, both on account of First Lien Secured Obligations and on account of Second Lien Secured Obligations, then, subject to Section 4, to the extent the debt obligations distributed on account of the First Lien Secured Obligations and on account of the Second Lien Secured Obligations are secured by Liens upon the same property, the provisions of this Agreement will survive the distribution of such debt obligations pursuant to such plan and will apply with like effect to the Liens securing such debt obligations.

6.6 Post-Petition Interest. Neither the Second Lien Lender nor any other Second Lien Claimholder shall oppose nor seek to challenge any claim by the First Lien Trustee or any other First Lien Claimholder for allowance in any Insolvency or Liquidation Proceeding of First Lien Secured Obligations consisting of post-petition interest, fees or expenses to the extent of the value of the First Lien Security Interests, without regard to the existence of the Second Lien Security Interests.

6.7 Waiver. The Second Lien Claimholders waive any claim they may hereafter have against any First Lien Claimholder arising out of the election of any First Lien Claimholder of the application of Section 1111(b)(2) of the Bankruptcy Code, and/or out of any cash collateral or financing arrangement or out of any grant of a security interest in connection with the Collateral in any Insolvency or Liquidation Proceeding.

6.8 Separate Grants of Security and Separate Classification. Each Second Lien Claimholder acknowledges and agrees that (i) the grants of Liens pursuant to Sections 3.1(i) and 3.1(ii) of the Security Agreement constitute two separate and distinct grants of Liens and (ii) because of, among other things, their differing rights in the Collateral, the Second Lien Secured Obligations are fundamentally different from the First Lien Secured Obligations and must be separately classified in any plan of reorganization proposed or adopted in an Insolvency or Liquidation Proceeding. To further effectuate the intent of the parties as provided in the immediately preceding sentence, if it is held that the claims against the First Lien Claimholders and Second Lien Claimholders in respect of the Collateral constitute only one secured claim (rather than separate classes of senior and junior secured claims), then the Second Lien Claimholders hereby acknowledge and agree that all distributions shall be made as if there were separate classes of senior and junior secured claims against the Borrower and the Subsidiary Guarantors in respect of the Collateral with the effect being that, to the extent that the aggregate value of the Collateral is sufficient (for this purpose ignoring all claims held by the Second Lien Claimholders), the First Lien Claimholders shall be entitled to receive, in addition to amounts distributed to them in respect of principal, pre-petition interest, default interest and other claims, all amounts owing in respect of post-petition interest before any distribution is made in respect of the claims held by the Second Lien Claimholders, with the Second Lien Claimholders hereby acknowledging and agreeing to turn over to the First Lien Claimholders amounts otherwise received or receivable by them to the extent necessary to effectuate the intent of this sentence, even if such turnover has the effect of reducing the claim or recovery of the Second Lien Claimholders.

Section 7. Reliance; Waivers; Etc.

7.1 Reliance. The First Lien Trustee, for itself and on behalf of the First Lien Claimholders under the First Lien Credit Documents, acknowledges that it has, independently and without reliance on the Collateral Agent, the Second Lien Lender or any other Second Lien Claimholder, and based on the terms of this Agreement and the other documents and information deemed by it appropriate, made its own credit analysis and decision to enter into the First Lien Credit Documents and be bound by the terms of this Agreement and it will continue to make its own credit decision in taking or not taking any action under the First Lien Indenture, this Agreement or the other Transaction Documents. Each Second Lien Claimholder acknowledges that it has, independently and without reliance on the Collateral Agent or any First Lien Claimholder, and based on documents and information deemed by such Second Lien Claimholder appropriate, made its own credit analysis and decision to enter into the Second Lien Credit Documents and be bound by the terms of this Agreement and it will continue to make its own credit decision in taking or not taking any action under the Second Lien Credit Agreement, this Agreement or the other Transaction Documents.

7.2 No Warranties or Liability. The First Lien Trustee, for itself and on behalf of the First Lien Claimholders under the First Lien Credit Documents, acknowledges and agrees that each of the Collateral Agent, the Second Lien Lender and the other Second Lien Claimholders have made no express or implied representation or warranty, including with respect to the execution, validity, legality, completeness, collectibility or enforceability of any of the Transaction Documents, the ownership of any Collateral or the perfection or priority of any Liens thereon. The Second Lien Claimholders will be entitled to manage and supervise their respective loans and extensions of credit under the Second Lien Credit Documents in accordance with law and as they may otherwise, in their sole discretion, deem appropriate. The Second Lien Claimholders acknowledge and agree that the First Lien Trustee and the other First Lien Claimholders have made no express or implied representation or warranty, including with respect to the execution, validity, legality, completeness, collectibility or enforceability of any of the Transaction Documents, the ownership of any Collateral or the perfection or priority of any Liens thereon. The First Lien Claimholders will be entitled to manage and supervise their respective loans and extensions of credit under their respective First Lien Credit Documents in accordance with law and as they may otherwise, in their sole discretion, deem appropriate. The Second Lien Claimholders shall have no duty to the First Lien Trustee or any of other the First Lien Claimholders, and the First Lien Claimholders shall have no duty to the Second Lien Lender or any of the other Second Lien Claimholders, to act or refrain from acting in a manner which allows, or results in, the occurrence or continuance of an event of default or default under any agreements with the Borrower or any Subsidiary Guarantor (including the First Lien Credit Documents and the Second Lien Credit Documents), regardless of any knowledge thereof which they may have or be charged with.

7.3 No Waiver of Lien Priorities or Subordination.

(a) No right of the First Lien Claimholders or any of them to enforce any provision of this Agreement or any First Lien Credit Document shall at any time in any way be prejudiced or impaired by any act or failure to act on the part of the Borrower or any other Grantor or by any act or failure to act by any First Lien Claimholder, or by any noncompliance by any Person with

the terms, provisions and covenants of this Agreement, any of the First Lien Credit Documents or any of the Second Lien Credit Documents, regardless of any knowledge thereof which the First Lien Claimholders, or any of them, may have or be otherwise charged with;

(b) The Second Lien Claimholders agree that the First Lien Claimholders shall have no liability to any Second Lien Claimholders, and the Second Lien Claimholders hereby waive any claim against any First Lien Claimholder arising out of, any and all actions that the First Lien Claimholders may take or permit or omit to take with respect to: (i) the First Lien Credit Documents, (ii) the collection of the First Lien Secured Obligations or (iii) the foreclosure upon, or sale, liquidation or other disposition of, any First Lien Collateral. The Second Lien Claimholders agree that the First Lien Claimholders have no duty to them in respect of the maintenance or preservation of the First Lien Collateral, the First Lien Secured Obligations or otherwise; and

(c) The Second Lien Claimholders agree not to assert and hereby waive, to the fullest extent permitted by law, any right to demand, request, plead or otherwise assert or otherwise claim the benefit of, any marshalling, appraisal, valuation or other similar right that may otherwise be available under applicable law with respect to the Collateral or any other similar rights a junior secured creditor may have under applicable law.

7.4 Obligations Unconditional. All rights, interests, agreements and obligations of the Collateral Agent, the First Lien Claimholders and the Second Lien Claimholders, respectively, hereunder shall remain in full force and effect irrespective of:

(a) any lack of validity or enforceability of any First Lien Credit Documents or any Second Lien Credit Documents;

(b) except to the extent expressly set forth in the Agreement, any change in the time, manner or place of payment of, or in any other terms of, all or any of the First Lien Secured Obligations or Second Lien Secured Obligations, or any amendment or waiver or other modification, including any increase in the amount thereof, whether by course of conduct or otherwise, of the terms of any First Lien Credit Document or any Second Lien Credit Document;

(c) any exchange of any security interest in any Collateral or any other collateral, or any amendment, waiver or other modification, whether in writing or by course of conduct or otherwise, of all or any of the First Lien Secured Obligations or Second Lien Secured Obligations or any guarantee thereof;

(d) the commencement of any Insolvency or Liquidation Proceeding in respect of the Borrower or any other Grantor; or

(e) any other circumstances which otherwise might constitute a defense available to, or a discharge of, the Borrower or any other Grantor in respect of the First Lien Secured Obligations, or of the Second Lien Lender or any Second Lien Claimholder in respect of this Agreement.

Section 8. Collateral Agency for Security Documents.

8.1 Appointment.

(a) Each First Lien Claimholder and each Second Lien Claimholder hereby irrevocably appoints Hillside as Collateral Agent hereunder and under the Security Documents and authorizes the Collateral Agent to take such actions on its behalf and to exercise such powers as are delegated to the Collateral Agent by the terms hereof and thereof, together with such actions and powers as are reasonably incidental thereto. Hillside agrees to act in the capacity of Collateral Agent in accordance with the express conditions contained in this Agreement, the Security Agreement and the other Security Documents.

(b) Hillside shall have the same rights and powers in its capacity as a Second Lien Claimholder as any other Person and may exercise the same as though it were not the Collateral Agent, and Hillside may generally engage in any kind of business with the Borrower or any Subsidiary or other Affiliate thereof as if it were not the Collateral Agent.

(c) The Collateral Agent shall not have any duties or obligations except those expressly set forth herein. Without limiting the generality of the foregoing, (a) the Collateral Agent shall not be subject to any fiduciary or other implied duties, regardless of whether a Default or Event of Default has occurred and is continuing, (b) the Collateral Agent shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the Security Agreement that the Collateral Agent is required to exercise in writing as directed by the Required Claimholders (or such other type, number or percentage of the Claimholders as shall be specified) in accordance with the terms of this Agreement, and (c) except as expressly set forth herein, the Collateral Agent shall not have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrower or any of its Subsidiaries that is communicated to or obtained by Hillside or any of its Affiliates in any capacity. The Collateral Agent shall not be liable for any action taken or not taken by it with the consent or at the request of the Required Claimholders (or such other type, number or percentage of the Claimholders as shall be specified) in accordance with the terms of this Agreement or in the absence of its own bad faith, gross negligence or willful misconduct. The Collateral Agent shall be deemed not to have knowledge of any Default or Event of Default unless and until written notice thereof is given to the Collateral Agent by the Borrower or a Claimholder and upon receipt thereof shall promptly and in no case later than two (2) Business Days following the receipt thereof deliver a copy of such notice to the First Lien Trustee and the Second Lien Lender, and the Collateral Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Transaction Document, (ii) the contents of any certificate, report or other document delivered hereunder or in connection herewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, the Security Agreement or any other agreement, instrument or document or the validity of any Lien granted or purported to be granted under any Security Document.

(d) The Collateral Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing believed by it to be genuine and to have been signed or sent by the proper Person. The Collateral Agent also may rely upon any statement made to it orally or by telephone and believed by it to be made by the proper Person, and shall not incur any liability for relying thereon. The Collateral Agent may consult with legal counsel (who may be counsel for Hillside), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

(e) The Collateral Agent may perform any and all its duties and exercise its rights and powers by or through any one or more sub-agents appointed by the Collateral Agent in good faith. The Collateral Agent and any such sub-agent may perform any and all its duties and exercise its rights and powers through their respective Affiliates. The exculpatory provisions of the preceding paragraphs shall apply to any such sub-agent and to any Affiliate of the Collateral Agent and any such sub-agent.

(f) Subject to the appointment and acceptance of a successor Collateral Agent as provided in this paragraph, the Collateral Agent may resign at any time by notifying the First Lien Trustee, the Second Lien Lender and the Borrower. Upon any such resignation, the Majority Claimholders shall have the right to appoint a successor. If no successor shall have been so appointed by the Majority Claimholders and shall have accepted such appointment within 30 days after the retiring Collateral Agent gives notice of its resignation, then the retiring Collateral Agent may, on behalf of the Claimholders, appoint a successor Collateral Agent which shall be a bank with an office in New York, New York, or an Affiliate of any such bank. Upon the acceptance of its appointment as Collateral Agent hereunder by a successor, such successor shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Collateral Agent, and the retiring Collateral Agent shall be discharged from its duties and obligations hereunder. After the Collateral Agent' s resignation hereunder, the provisions of this Article shall continue in effect for the benefit of such retiring Collateral Agent, its sub-agents and their respective Affiliates in respect of any actions taken or omitted to be taken by any of them while it was acting as Collateral Agent.

(g) The First Lien Claimholders and the Second Lien Claimholders have agreed (i) to provide for the granting of the First Lien Security Interests and the Second Lien Security Interests pursuant to the a single Security Agreement and (ii) to share the Lien of a single Control Agreement in respect of each Account for which a Control Agreement is required pursuant to the terms of such Security Agreement. In furtherance thereof, the First Lien Claimholders and the Second Lien Claimholders have agreed that each Security Document shall be in the name of Hillside, as Collateral Agent. The First Lien Claimholders and the Second Lien Claimholders hereby acknowledge that the Collateral Agent will have "control" under the UCC over each Account subject to a Control Agreement for the benefit of both the First Lien Claimholders and the Second Lien Claimholders pursuant to the Control Agreements relating to each such Account.

(h) The Collateral Agent will permit the Second Lien Claimholders and the First Lien Claimholders upon reasonable notice from time to time to inspect and copy, at the cost and expense of the party requesting such copies, any and all Security Documents and other documents, notices, certificates, instructions or communications received by the Collateral Agent in its capacity as such.

8.2 Exercise of Rights and Remedies. Subject to the terms of this Agreement, until the Discharge of the First Lien Secured Obligations occurs, the Collateral Agent shall be entitled to, and shall, deal with the Security Documents upon the instruction of the First Lien Trustee in accordance with the terms of such Security Documents and the First Lien Credit Documents as if the Second Lien Security Interests did not exist, except that:

(i) the Collateral Agent may not release any Second Lien Security Interests without the consent of the Second Lien Lender, except in connection with dispositions permitted by, or as otherwise expressly set forth in, this Agreement; and

(ii) upon the termination of a Standstill Period, if the Collateral Agent has not received direction from the First Lien Trustee, the Second Lien Lender may direct the Collateral Agent, and the Collateral Agent agrees, to act in order to exercise the rights and remedies of the Second Lien Claimholders in the manner permitted by Section 3.1(b)(iii).

Section 9. Miscellaneous.

9.1 Conflicts. In the event of any conflict between the provisions of this Agreement and the provisions of any of the First Lien Credit Documents or any of the Second Lien Credit Documents, the provisions of this Agreement shall govern and control.

9.2 Effectiveness; Continuing Nature of this Agreement; Severability. This Agreement shall become effective when executed and delivered by the parties hereto. This Agreement, which the parties hereto expressly acknowledge is a "subordination agreement" under Section 510(a) of the Bankruptcy Code, shall, for the avoidance of any doubt, be effective before, during and after the commencement of an Insolvency or Liquidation Proceeding. The First Lien Claimholders may continue, at any time and without notice to the Second Lien Lender or any Second Lien Claimholder subject to the Second Lien Credit Documents, to extend credit and other financial accommodations and lend monies to or for the benefit of the Borrower or any Grantor constituting First Lien Secured Obligations in reliance hereof. The Second Lien Lender, for itself and on behalf of the Second Lien Claimholders, hereby waives any right it may have under applicable law to revoke this Agreement or any of the provisions of this Agreement. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall not invalidate the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. All references to the Borrower or any other Grantor shall include the Borrower or such Grantor as debtor and debtor-in-possession and any receiver or trustee for the Borrower or any other Grantor (as the case may be) in any Insolvency or Liquidation Proceeding. This Agreement shall terminate and be of no further force and effect, (i) with respect to the Second Lien Lender, the Second Lien Claimholders and the Second Lien Secured Obligations, upon the later of (1) the date upon which the obligations under the Second Lien Credit Agreement terminate if there are no other Second Lien Secured Obligations outstanding on such date and (2) if there are other

Second Lien Secured Obligations outstanding on such date, the date upon which such Second Lien Secured Obligations terminate, provided that any such termination shall not be effective if the events described in clauses (1) or (2) occur as a result of any violation of this Agreement on or prior to such termination and shall be subject to reinstatement as provided in Section 6.5 and (ii) with respect to the First Lien Trustee, the First Lien Claimholders and the First Lien Secured Obligations, the date of Discharge of First Lien Secured Obligations, subject to the rights of the First Lien Claimholders under Section 6.4.

9.3 Amendments; Waivers. No amendment, modification or waiver of any of the provisions of this Agreement by the Second Lien Lender or the First Lien Trustee shall be deemed to be made unless the same shall be in writing signed on behalf of each party hereto or its authorized agent and each waiver, if any, shall be a waiver only with respect to the specific instance involved and shall in no way impair the rights of the parties making such waiver or the obligations of the other parties to such party in any other respect or at any other time. No amendment, modification or waiver that adversely affects the rights of the Collateral Agent in its capacity as such will become effective without the consent of the Collateral Agent. No amendment or supplement to the provisions of any Security Document will be effective without the consent of the Second Lien Lender and the First Lien Trustee except to update schedules pursuant to the Security Agreement, to add Collateral in accordance with the terms of this Agreement and the Security Agreement or except as otherwise expressly permitted herein. Notwithstanding the foregoing, the Borrower shall not have any right to consent to or approve any amendment, modification or waiver of any provision of this Agreement except to the extent its rights and obligations or the rights and obligations of any other Grantor are directly and adversely affected.

9.4 Information Concerning Financial Condition of the Borrower and its Subsidiaries. The First Lien Trustee and the First Lien Claimholders, on the one hand, and the Second Lien Claimholders and the Second Lien Lender, on the other hand, shall each be responsible for keeping themselves informed of (a) the financial condition of the Borrower and its Subsidiaries and all endorsers and/or guarantors of the First Lien Secured Obligations or the Second Lien Secured Obligations and (b) all other circumstances bearing upon the risk of nonpayment of the First Lien Secured Obligations or the Second Lien Secured Obligations. The First Lien Trustee and the First Lien Claimholders shall have no duty to advise the Second Lien Lender or any Second Lien Claimholder of information known to it or them regarding such condition or any such circumstances or otherwise. In the event the First Lien Trustee or any of the First Lien Claimholders, in its or their sole discretion, undertakes at any time or from time to time to provide any such information to the Second Lien Lender or any Second Lien Claimholder, it or they shall be under no obligation (w) to make, and the First Lien Trustee and the First Lien Claimholders shall not make, any express or implied representation or warranty, including with respect to the accuracy, completeness, truthfulness or validity of any such information so provided, (x) to provide any additional information or to provide any such information on any subsequent occasion, (y) to undertake any investigation or (z) to disclose any information which, pursuant to accepted or reasonable commercial finance practices, such party wishes to maintain confidential or is otherwise required to maintain confidential.

9.5 Subrogation. The Second Lien Lender, for itself and on behalf of the Second Lien Claimholders, hereby waives any rights of subrogation it may acquire as a result of any payment hereunder until the Discharge of First Lien Secured Obligations has occurred.

9.6 Application of Payments. All payments received by the First Lien Trustee or the First Lien Claimholders may be applied, reversed and reapplied, in whole or in part, to such part of the First Lien Secured Obligations provided for in the First Lien Credit Documents. The Second Lien Lender, for itself and on behalf of the Second Lien Claimholders, assents to any extension or postponement of the time of payment of the First Lien Secured Obligations or any part thereof and to any other indulgence with respect thereto, to any substitution, exchange or release of any security which may at any time secure any part of the First Lien Secured Obligations and to the addition or release of any other Person primarily or secondarily liable therefor.

9.7 **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 FIRST LIEN CREDIT DOCUMENT, ANY OTHER SECOND LIEN CREDIT DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (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.**

9.8 Notices. All notices to the Second Lien Claimholders and the First Lien Claimholders permitted or required under this Agreement shall also be sent to the Second Lien Lender and the First Lien Trustee, respectively. The Collateral Agent shall send copies of all notices and directions received by the Collateral Agent in its capacity as such hereunder or under the Security Documents to the Second Lien Lender and the First Lien Trustee (to the extent such Persons have not already received such notice or directions) reasonably promptly following the receipt thereof, but in no event later than two (2) Business Days after the receipt thereof. Unless otherwise specifically provided herein, any notice hereunder shall be in writing and may be personally served, telexed or sent by telefacsimile or United States mail or courier service and shall be deemed to have been given when delivered in person or by courier service and signed for against receipt thereof, upon receipt of telefacsimile or telex, or three Business Days after depositing it in the United States mail with postage prepaid and properly addressed. For the purposes hereof, the addresses of the parties hereto shall be as set forth in the First Lien Indenture or the Second Lien Credit Agreement, as applicable or, as to each party, at such other address as may be designated by such party in a written notice to all of the other parties.

9.9 Further Assurances. The First Lien Trustee, for itself and on behalf of the First Lien Claimholders under the First Lien Credit Documents, and the Second Lien Lender, for itself and on behalf of the Second Lien Claimholders under the Second Lien Credit Documents, the Collateral Agent and the Borrower and Subsidiary Guarantors, agree that each of them shall take such further action and shall execute and deliver such additional documents and instruments (in recordable form, if requested) as the Collateral Agent, the First Lien Trustee or the Second Lien Lender may reasonably request to effectuate the terms of and the lien priorities contemplated by this Agreement.

9.10 Governing Law; Jurisdiction; Consent to Service of Process.

(a) This Agreement shall be construed in accordance with and governed by the law of the State of New York, without regard to the choice of law provisions thereof.

(b) Each party hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of the Supreme Court of the State of New York sitting in New York County and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement, 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, any other First Lien Credit Document or any other Second Lien Credit Document shall affect any right that any First Lien Claimholder or Second Lien Claimholder may otherwise have to bring any action or proceeding relating to this Agreement, any other First Lien Credit Document or any other Second Lien Credit Document against the Borrower, the Subsidiary Guarantors or any of their respective properties in the courts of any jurisdiction.

(c) Each party hereto 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, any other First Lien Credit Document or any Second Lien Credit Document in any court referred to in paragraph (b) 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.

(d) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 9.8. Nothing in this Agreement, any other First Lien Credit Document or any Second Lien Credit Document will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

9.11 Binding on Successors and Assigns. This Agreement shall be binding upon the First Lien Trustee, the First Lien Claimholders, the Second Lien Lender, the Second Lien Claimholders and their respective successors and assigns.

9.12 Specific Performance. Each of the First Lien Trustee and the Second Lien Lender may demand specific performance of this Agreement. The First Lien Trustee, for itself and on behalf of the First Lien Claimholders under its First Lien Credit Documents, and the Second Lien Lender, for itself and on behalf of the Second Lien Claimholders, hereby irrevocably waives any defense based on the adequacy of a remedy at law and any other defense which might be asserted to bar the remedy of specific performance in any action which may be brought by any First Lien Trustee or the Second Lien Lender, as the case may be.

9.13 Headings. Section headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose or be given any substantive effect.

9.14 Counterparts. This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page of this Agreement or any document or instrument delivered in connection herewith by telecopy shall be effective as delivery of a manually executed counterpart of this Agreement or such other document or instrument, as applicable.

9.15 Authorization. By its signature, each Person executing this Agreement on behalf of a party hereto represents and warrants to the other parties hereto that it is duly authorized to execute this Agreement.

9.16 No Third Party Beneficiaries. This Agreement and the rights and benefits hereof shall inure to the benefit of each of the parties hereto and its respective successors and assigns and shall inure to the benefit of each of the First Lien Claimholders and the Second Lien Claimholders. No other Person shall have or be entitled to assert rights or benefits hereunder.

9.17 Provisions Solely to Define Relative Rights. The provisions of this Agreement are and are intended solely for the purpose of defining the relative rights of the First Lien Claimholders on the one hand and the Second Lien Claimholders on the other hand. Except to the extent expressly provided in this Agreement, none of the Borrower, any other Grantor or any other creditor thereof shall have any rights hereunder and neither the Borrower nor any Grantor may rely on the terms hereof. Nothing in this Agreement is intended to or shall impair the obligations of the Borrower or any other Grantor, which are absolute and unconditional, to pay the First Lien Secured Obligations and the Second Lien Secured Obligations as and when the same shall become due and payable in accordance with their terms.

9.18 Expenses. (a) The Borrower and the Subsidiary Guarantors will pay or reimburse the Collateral Agent, the First Lien Trustee, the Second Lien Lender, the First Lien Claimholders and the Second Lien Claimholders, upon demand, for all costs and expenses in connection with the enforcement or preservation of any rights under this Agreement, including, without limitation, reasonable fees and disbursements of counsel to the Collateral Agent, the Second Lien Lender and the First Lien Trustee.

(b) The Borrower and the Subsidiary Guarantors will pay, indemnify, and hold harmless the Collateral Agent, the First Lien Trustee, the Second Lien Lender, the First Lien Claimholders and the Second Lien Claimholders from and against any and all other liabilities, obligations, losses, damages, penalties, actions (whether sounding in contract, tort or on any other ground), judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever with respect to the execution, delivery, enforcement, performance and administration of, or in any other way arising out of or relating to this Agreement or any action taken or omitted to be taken by the Collateral Agent, the First Lien Trustee, the Second Lien Lender, the First Lien Claimholders and the Second Lien Claimholders with respect to any of the foregoing; provided that such indemnity shall not, as to any indemnified person, be available to the extent that such losses, claims, damages, liabilities or related expenses (x) are determined by a court of competent jurisdiction, by final and nonappealable judgment, to have resulted from the gross negligence or willful misconduct of such indemnified person.

9.19 Integration. This Agreement, the First Lien Credit Documents and the Second Lien Credit Documents represent the entire agreement of the parties hereto with respect to the subject matter thereof and there are no promises or representations by the Collateral Agent, the First Lien Trustee, the Second Lien Lender, the First Lien Claimholders and the Second Lien Claimholders relative to the subject matter hereof not reflected herein or therein.

IN WITNESS WHEREOF, the parties hereto have executed this Collateral Agency and Intercreditor Agreement as of the date first written above.

FIRST LIEN TRUSTEE:

U.S. BANK NATIONAL ASSOCIATION,
as First Lien Trustee

By: /s/ Karen R. Beard
Name: Karen R. Beard
Title: Vice President

SECOND LIEN LENDER AND COLLATERAL
AGENT:

HILLSIDE CAPITAL INCORPORATED,
as Second Lien Lender and as Collateral Agent

By: /s/ Raymond F. Weldon

Name: Raymond F. Weldon
Title: Managing Director

BORROWER:

AMPEX CORPORATION

By: /s/ D. Gordon Strickland
Name: D. Gordon Strickland
Title: President & Chief Executive Officer

SUBSIDIARY GUARANTORS:

AMPEX DATA INTERNATIONAL CORPORATION

By: /s/ Lawrence Chiarella
Name: Lawrence Chiarella
Title: President

AMPEX DATA SYSTEMS CORPORATION

By: /s/ Lawrence Chiarella
Name: Lawrence Chiarella
Title: President

AMPEX FINANCE CORP.

By: /s/ D. Gordon Strickland
Name: D. Gordon Strickland
Title: President

AMPEX INTERNATIONAL SALES CORPORATION

By: /s/ Lawrence Chiarella
Name: Lawrence Chiarella
Title: President

EXHIBIT 10.5

AMPEX CORPORATION

and

AMPEX INTERNATIONAL SALES CORPORATION

as the CPR Administrator

CONTINGENT PAYMENT RIGHTS AGREEMENT

Dated as of October 3, 2008

TABLE OF CONTENTS

		Page
Section 1.	Certain Definitions	1
Section 2.	Appointment of CPR Administrator	5
Section 3.	Issuance of Distribution Rights	5
Section 4.	CPR Distributions	6
Section 5.	Disputed Existing Common Stock Interest, Disallowed Existing Common Stock Interest and Forfeited Distribution Rights	8
Section 6.	Limitation on Transferability of Distribution Rights	9
Section 7.	Destruction of Cancelled Common Stock Certificates	10
Section 8.	Agreement of Right Holders	10
Section 9.	Concerning the CPR Administrator	11
Section 10.	Merger or Consolidation or Change of Name of CPR Administrator	11
Section 11.	Duties of CPR Administrator	12
Section 12.	Change of CPR Administrator	13
Section 13.	Notices	14
Section 14.	Termination	15
Section 15.	Supplements and Amendments	15

Section 16. Successors 16

Section 17. Benefits of this Agreement 16

Section 18. Inconsistency with Plan 16

Section 19. Tax Reporting; Withholding 16

Section 20. Severability 17

Section 21. Governing Law 17

Section 22. Counterparts 17

Section 23. Descriptive Headings 17

CONTINGENT PAYMENT RIGHTS AGREEMENT

This Contingent Payment Rights Agreement, dated as of October 3, 2008 (this "Agreement"), made by and between Ampex Corporation, a Delaware corporation (the "Company") and Ampex International Sales Corporation, a California corporation ("Ampex International"), as the contingent payment rights administrator (together with any successor thereto, the "CPR Administrator"). Capitalized terms used and not otherwise defined herein shall have the meanings ascribed to them in the First Modified Third Amended Joint Chapter 11 Plan of Reorganization for Ampex Corporation and its Affiliated Debtors (as defined therein), dated as of July 31, 2008 (as the same may be amended, modified or supplemented from time to time, the "Plan").

R E C I T A L S:

WHEREAS, the Company and its U.S. subsidiaries have filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code in the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court");

WHEREAS, on July 31, 2008, the Bankruptcy Court entered an order (the "Confirmation Order") confirming the Plan;

WHEREAS, pursuant to the Plan and the Confirmation Order, as of the Effective Date, the Existing Common Stock was cancelled and no distribution was made under the Plan to holders of Existing Common Stock on account of such interests;

WHEREAS, as part of a settlement and compromise set forth in the Plan, the Company agreed to issue each holder of Existing Common Stock that did not object to the confirmation of the Plan, a right that entitles such holder to receive a Pro Rata Percentage of certain future income of Reorganized Ampex from a limited pool of assets as set forth herein;

WHEREAS, the administration and processing of such CPR Distributions and other matters in connection with these Distribution Rights will involve substantial administration;

WHEREAS, the Company desires to appoint Ampex International as the CPR Administrator to act on behalf of the Company in connection with the Distribution Rights, and the CPR Administrator is willing to so act and serve in such capacity, in each case upon the terms set forth herein and pursuant to the Plan and Confirmation Order;

WHEREAS, Hillside Capital Incorporated ("Hillside") has consented to the appointment of Ampex International as the CPR Administrator as evidenced and acknowledged by Hillside executing this Agreement; and

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

Section 1. Certain Definitions. For purposes of this Agreement, the following terms shall have the following meanings:

"Agreement" shall have the meaning set forth in the first paragraph of this Agreement.

"Allowed Existing Common Stock Interest" shall mean any share of Existing Common Stock other than a share (i) that is a Disputed Existing Common Stock Interest as of the Effective Date or (ii) the holder of which has objected to the confirmation of the Plan.

"Bankruptcy Court" shall have the meaning set forth in the Recitals of this Agreement.

"Business Day" shall mean any day (other than a day which is a Saturday, Sunday or legal holiday in the State of New York) on which banks are open for business in the State of New York.

"Cancelled Common Stock" shall mean each share of common stock constituting the Existing Common Stock cancelled pursuant to the Plan.

"Close of Business" on any given date shall mean 5:00 P.M., New York, New York time, on such date; provided, however, that if such date is not a Business Day it shall mean 5:00 P.M. New York, New York time, on the next succeeding Business Day.

"Code" shall have the meaning set forth in Section 19(a) hereof.

"Company" shall have the meaning set forth in the Preamble of this Agreement.

"Company Expenses" shall mean for each Distribution Period, the amount Reorganized Ampex incurred as expenses under this Agreement or paid to the CPR Administrator as compensation or expense reimbursement pursuant to this Agreement during such Distribution Period.

"Confirmation Date" shall mean the date on which the Confirmation Order is entered by the Bankruptcy Court.

"Confirmation Order" shall have the meaning set forth in the Recitals of this Agreement.

"CPR Administrator" shall (i) have the meaning set forth in the Preamble of this Agreement or (ii) mean any successor or replacement thereto as provided in Sections 10 and 12 hereof.

"CPR Administrator Rights Notice" shall have the meaning set forth in Section 3(b) of this Agreement.

"CPR Distributions" shall mean any cash distributions from Reorganized Ampex to which the Right Holders are entitled pursuant to the terms of the Plan and this Agreement.

"CPR Reserve Account" shall have the meaning set forth in Section 4(c) of this Agreement.

"Cumulative Net New Patent Revenue" shall mean Net New Patent Revenue for a Distribution Period plus any Net New Patent Revenue from any prior Distribution Period with respect to which no CPR Distributions were made.

"Disputed Existing Common Stock Interest" shall mean any share of Existing Common Stock (i) as to which an objection or action to dispute, deny or otherwise limit recovery with respect thereto has been filed or commenced within the applicable period of limitation fixed by applicable law, (ii) that is not allowed in any contract, instrument, indenture, or other agreement entered into pursuant to the Plan, (iii) the holder of which cannot be located by the Debtors, Reorganized Debtors or CPR Administrator at any of the addresses set forth in Section 8.9 of the Plan, (iv) the holder of which notifies the CPR Administrator in writing within 10 days of receipt of the CPR Administrator Rights Notice that there is an error in the calculation of its Pro Rata Percentage of the CPR Distribution, (v) the holder of which has not surrendered Cancelled Common Stock certificates or other instruments evidencing such Existing Common Stock or affidavit of loss and indemnity satisfactory to the CPR Administrator or (vi) issuable upon the conversion or exercise of options, warrants or other securities to purchase shares of Existing Common Stock that are vested as of the Effective Date and the holder of which has not exercised such warrants, options or other securities to purchase shares of Existing Common Stock as of the Effective Date.

"Distribution Date" shall mean March 31st of each calendar year immediately following a Distribution Period.

"Distribution Period" shall mean each calendar year and, in the case of the year that includes the Effective Date, the period commencing on the Effective Date and ending on the Close of Business of December 31st of such calendar year.

"Distribution Record Date" shall mean the Confirmation Date.

"Distribution Rights" shall have the meaning set forth in Section 3(a) of this Agreement.

"Effective Date" shall mean the first Business Day on which all conditions set forth in Section 11.2 of the Plan have been satisfied or waived.

"Existing Common Stock" shall mean shares of common stock, par value $0.01 per share, of the Company issued prior to the Effective Date.

"Existing Patents" shall mean any patents of the Company or its subsidiaries that have been issued based on patent applications filed by the Company, any of its affiliates, representatives or agents acting in such capacity, having an effective filing date prior to the Effective Date; a list of the Company' s Existing Patents is attached hereto as Schedule I.

"Family Members" means, with respect to any individual, such Person' s spouse, children, siblings, parents and all lineal descendants of such Person' s parents (in each case, natural or adopted).

"Forfeited Right Holder" shall have the meaning set forth in Section 4(e) of this Agreement.

"Form W-8" shall have the meaning set forth in Section 19(a) of this Agreement.

"Hillside" shall have the meaning set forth in the Recitals of this Agreement.

"Initial Company Notice" shall have the meaning set forth in Section 3(b) of this Agreement.

"Net New Patent Revenue" shall mean (i) the consolidated revenue that Reorganized Ampex and its subsidiaries receive from royalty payments on licenses of Existing Patents including any interest accrued on such royalty payments (less any expenses arising out of or associated with such licenses, including applicable taxes assessed on income from such licenses and fees for maintenance of the Existing Patents) after the effective date of each such license, (ii) the consolidated revenue that Reorganized Ampex and its subsidiaries receive from the sale or transfer of Existing Patents (less any expenses arising out of or associated with such sale or transfer of Existing Patents, including all applicable taxes), (iii) the consolidated revenue that Reorganized Ampex and its subsidiaries receive from any securitization of royalties or other payments from licenses of Existing Patents, (iv) the consolidated revenue that Reorganized Ampex and its subsidiaries receive from any monetary damages received as a result of infringement litigation asserting an Existing Patent, and (v) in the event that Reorganized Ampex or any of its affiliates (other than Ampex Data Systems Corporation or its successors) uses the Existing Patents, such revenue Reorganized Ampex would have received had it licensed such Existing Patents to an unaffiliated third party in an arm' s-length transaction; provided, however, that Net New Patent Revenue shall not include revenue from licenses that bear revenue as of the Effective Date.

"Person" shall mean any individual, firm, corporation, partnership, limited partnership, limited liability partnership, business trust, limited liability company, unincorporated association or other entity, and shall include any successor (by merger or otherwise) of such entity.

"Permitted Transferee" shall have the meaning set forth in Section 6(a) of this Agreement.

"Plan" shall have the meaning set forth in the first paragraph of this Agreement.

"Pro Rata Percentage" shall mean, a ratio (expressed as a percentage) the numerator of which shall be the number of shares of Existing Common Stock held by a Right Holder as of the Close of Business on the date immediately prior to the Effective Date and the denominator of which shall be the total number of Existing Common Stock outstanding as of the date immediately prior to the Effective Date.

"Recovery Threshold Amount" shall be $83,846,915.00.

"Reorganized Ampex" shall mean the Company and any successor thereto, as reorganized.

"Right Holders" shall have the meaning set forth in Section 3(a) of this Agreement.

"Rights Registry" shall have the meaning set forth in Section 3(c) hereof.

"Treasury Regulations" shall have the meaning set forth in Section 19(a) hereof.

"Unclaimed Distribution Recipient" shall have the meaning set forth in Section 4(e) hereof.

"Unclaimed Rights Forfeit Date" shall have the meaning set forth in Section 4(e) hereof.

Section 2. Appointment of CPR Administrator. The Company, with the consent of Hillside, hereby appoints the CPR Administrator to act as agent for the Company in accordance with the terms and conditions hereof, and the CPR Administrator hereby accepts such appointment.

Section 3. Issuance of Distribution Rights.

(a) As of the Effective Date, each holder of an Allowed Existing Common Stock Interest as of the Close of Business on the Distribution Record Date is, in accordance with the Plan, entitled to receive a right to receive its Pro Rata Percentage of CPR Distributions subject to the terms set forth herein (the "Distribution Rights" and such recipient of Distribution Rights, a "Right Holder").

(b) Within 10 Business Days following its receipt of (V) a written notice of the occurrence of the Effective Date, (W) a list of the Right Holders and the number of shares of Existing Common Stock held by each such Right Holder as of the date immediately prior to the Effective Date, (X) a list of the holders of Disputed Existing Common Stock Interests and the maximum number of shares of Existing Common Stock asserted to be held by each such Person as of the date immediately prior to the Effective Date, (Y) the Pro Rata Percentage of any CPR Distributions to which each Right Holder is entitled to receive from Reorganized Ampex and (Z) the Pro Rata Percentage of any CPR Distributions to which each holder of Disputed Existing Common Stock Interests would be entitled to receive if such Disputed Existing Common Stock Interests held by such Person was otherwise an Allowed Existing Common Stock Interest (which Reorganized Ampex hereby agrees to provide within 30 days of the Effective Date, the "Initial Company Notice"), the CPR Administrator, at the expense of Reorganized Ampex, shall provide to each holder of Existing Common Stock that did not object to the confirmation of the Plan (i) a written notice (the "CPR Administrator Rights Notice") of the Distribution Rights granted to each Right Holder or its Permitted Transferee pursuant to this Agreement and (ii) written instructions regarding the proper delivery of certificates representing shares of Cancelled Common Stock, other instruments evidencing Cancelled Common Stock or an affidavit of loss and indemnity, which shall be in its sole discretion, satisfactory to the CPR Administrator with respect to such lost, stolen, mutilated or destroyed certificates.

(c) Upon receipt of the Initial Company Notice, the CPR Administrator shall keep or cause to be kept, at its office designated for such purposes, books for registration of (i) the name and address of each Right Holder and the number of shares of Existing Common Stock held by each such Right Holder as of the date immediately prior to the Effective Date (ii) the name and address of each holder of

Disputed Existing Common Stock Interests and the number of shares of Existing Common Stock held by such Person as of the date immediately prior to the Effective Date, (iii) the Pro Rata Percentage of any CPR Distributions each Right Holder or its Permitted Transferee is entitled to receive and (iv) the Pro Rata Percentage of any CPR Distributions to which each holder of a Disputed Existing Common Stock Interest would be entitled to receive if such Disputed Existing Common Stock Interest held by such Person was otherwise an Allowed Existing Common Stock Interest (the "Rights Registry"). The CPR Administrator shall update the Rights Registry with respect to each Right Holder, including with respect to Disputed Existing Common Stock Interests that become an Allowed Existing Common Stock Interests and any change of name, address or other contact information of any Right Holder upon receipt of a written notice of any such change including from any such Person pursuant to Section 5, Section 6 and Section 13 of this Agreement.

(d) To receive Distribution Rights, each Right Holder shall surrender to the CPR Administrator (i) certificates representing its shares of Cancelled Common Stock (or an affidavit of loss and indemnity satisfactory to the CPR Administrator with respect to any lost, stolen, mutilated or destroyed certificates) or (ii) to the extent such Cancelled Common Stock is not certificated, other instruments evidencing such Cancelled Common Stock satisfactory to the CPR Administrator within 60 days of receipt of the CPR Administrator Rights Notice. In the event that any Right Holder fails to surrender to the CPR Administrator certificates or other instruments evidencing Cancelled Common Stock pursuant to this Section 3(d), the Cancelled Common Stock evidenced by such certificates or other instruments held by such Right Holder shall be deemed a Disputed Existing Common Stock Interest and shall be subject to the terms set forth in Section 5 hereof.

Section 4. CPR Distributions.

(a) No later than 15 days prior to each Distribution Date, Reorganized Ampex shall calculate the amount of CPR Distributions, if any, owed to each Right Holder or its Permitted Transferee for the applicable Distribution Period and shall promptly deliver (i) a written notice to the CPR Administrator of such amounts on an aggregate basis, if any, and (ii) a statement of Reorganized Ampex, approved by its Board of Directors and certified by its Chief Financial Officer as to such statement' s compliance with the terms of this Agreement, setting forth a description and calculation of such CPR Distributions, including the Net New Patent Revenue for such Distribution Period, Net New Patent Revenue for any prior Distribution Period for which no CPR Distributions were made, the Cumulative Net New Patent Revenue, the Recovery Threshold Amount and the amount of any CPR Distributions (or if no CPR Distributions, a statement to that effect) to be paid to Right Holders on the Distribution Date (the "Reorganized Ampex Statement").

(b) On the Distribution Date, Reorganized Ampex (or the Disbursing Agent or other distribution agent on behalf of Reorganized Ampex) shall deliver to the CPR Administrator the total aggregate amount required to allow the CPR Administrator to distribute the CPR Distributions for the applicable Distribution Period to each Right Holder.

(c) Subject to Section 19(b) hereof, no later than 15 days after each Distribution Date, the CPR Administrator shall distribute to each Right Holder (i) its Pro Rata Percentage of the CPR Distribution, if any, in accordance with the percentages set forth in the Rights Registry and (ii) the Reorganized Ampex Statement. Subject to Section 5 hereof, the CPR Administrator shall hold in a separate account (the "CPR Reserve Account") that portion of the remaining balance of CPR Distributions with respect to Disputed Existing Common Stock Interests that have not become Allowed Existing Common Stock Interests as of the applicable Distribution Date. If there are no CPR Distributions for the Distribution Period, the CPR Administrator shall, in any event, distribute the Reorganized Ampex Statement to the Right Holders. The CPR Administrator shall keep and maintain complete and accurate ledgers showing all payments made by the CPR Administrator pursuant to the terms of the Plan, this Agreement and the Reorganized Ampex Statement and shall furnish copies of such ledgers ,which shall be kept as part of the Rights Registry, to Reorganized Ampex from time to time upon request.

(d) On each Distribution Date, the maximum CPR Distribution to be made by Reorganized Ampex shall be an amount equal to the product of (x) 0.5 times (y) the Cumulative Net New Patent Revenue in excess of the Recovery Threshold Amount less (z) the Company Expenses. In the event that CPR Distributions for a Distribution Period are less than Company Expenses for such Distribution Period, the excess Company Expenses shall be carried over to the Distribution Period immediately following such Distribution Period and be treated as Company Expenses for that next Distribution Period.

(e) In the event that the CPR Administrator cannot locate any Right Holder or its Permitted Transferee at the last known address set forth in the Rights Registry (such Right Holder, a "Forfeited Right Holder") within one (1) year of any Distribution Date on which CPR Distributions are actually made (the "Unclaimed Rights Forfeit Date"), such Forfeited Right Holder' s CPR Distributions shall be forfeited and the CPR Administrator shall distribute such forfeited CPR Distributions to the Right Holders or Permitted Transferees, and to the CPR Reserve Account on account for holders of Disputed Existing Common Stock Interests, in each case who have not forfeited their respective CPR Distributions pursuant to this Section 4(e) (the "Unclaimed Distribution Recipients") pro rata based on a ratio (expressed as a percentage) the numerator of which shall be the number of shares of Existing Common Stock held by an Unclaimed Distribution Recipient on the date immediately prior to the Effective Date and the denominator of which shall be the total number of shares of Existing Common Stock held by Unclaimed Distribution Recipients as of the date immediately prior to the Effective Date. Any unclaimed CPR Distributions to be distributed pursuant to this Section 4(e) to Unclaimed Distribution Recipients that are Right Holders as of the Unclaimed Rights Forfeit Date, shall be distributed and paid out to such Right Holders as soon as practicable after the Unclaimed Rights Forfeit Date. Any unclaimed CPR Distributions reserved pursuant to this Section 4(e) on account of Unclaimed Distribution Recipients

that are holders of Disputed Existing Common Stock Interests as of the Unclaimed Rights Forfeit Date shall be deposited in the CPR Reserve Account and shall be released and paid out to such Unclaimed Distribution Recipients pursuant to Section 5(a). Notwithstanding any provision herein, no CPR Distributions, if any, shall be made to an Unclaimed Distribution Recipient until such time as the CPR Administrator shall determine that such distribution is practicable.

Section 5. Disputed Existing Common Stock Interest, Disallowed Existing Common Stock Interest and Forfeited Distribution Rights.

(a) With respect to a Disputed Existing Common Stock Interest, the CPR Administrator shall (i) reserve the Pro Rata Percentage of the Distribution Rights to which the holder of such Disputed Existing Common Stock Interest would have been entitled if such Disputed Existing Common Stock Interest was an Allowed Existing Common Stock Interest on the Effective Date, (ii) not register in the Rights Registry such Distribution Rights that would otherwise be allocable under the Plan to such holders of Disputed Existing Common Stock Interests if such interests were Allowed Existing Common Stock Interests on the Effective Date and (iii) hold all CPR Distributions which would otherwise be distributable to the holders of such Disputed Existing Common Stock Interests if such interests were Allowed Existing Common Stock Interests on the Effective Date in the CPR Reserve Account. In the event that any Disputed Existing Common Stock Interest becomes an Allowed Existing Common Stock Interest, the CPR Distributions on account of such Allowed Existing Common Stock Interest shall be released from the CPR Reserve Account and the CPR Administrator shall (A) record as owned in the Rights Registry the Distribution Rights to which the holder of such newly Allowed Existing Common Stock Interest would have been entitled if such newly Allowed Existing Common Stock Interest was an Allowed Existing Common Stock Interest on the Effective Date, and (B) subject to Section 19(b) hereof, distribute to the holder of such newly Allowed Existing Common Stock Interest, as soon as practicable thereafter, any CPR Distributions reserved in the CPR Reserve Account which would have been distributed to such Person in respect of such Person' s Distribution Rights if such Existing Common Stock was fully or partially allowed, as the case may be, on the Effective Date, provided that the CPR Administrator may direct the withholding of any CPR Distributions until any cost or expense associated with maintaining such CPR Distributions accruing after the Effective Date is paid. Notwithstanding any provision herein, no CPR Distributions, if any, shall be made to a holder of resolved Disputed Existing Common Stock Interests until such time as the CPR Administrator shall determine that such distribution is practicable.

(b) Any CPR Distributions reserved on account of any Disputed Existing Common Stock Interest that becomes the subject of a final and binding court order or a written and binding settlement agreement, in each case whereby such Disputed Existing Common Stock Interest, or any portion thereof, is disallowed or otherwise determined or agreed that it shall never become an Allowed Existing Common Stock Interest, shall be cancelled and forfeited by such holder of Disputed Existing Common Stock Interest and the CPR Administrator shall return such CPR Distributions to Reorganized Ampex. No Right Holder shall have any claim to any CPR Distributions returned to Reorganized Ampex pursuant to this Section 5(b).

Section 6. Limitation on Transferability of Distribution Rights.

(a) No holder of Distribution Rights may sell, assign or transfer all or any portion of such Distribution Rights except to such Person' s Permitted Transferees. A "Permitted Transferee" shall mean (i) with respect to a holder of Distribution Rights that is an individual, any transfer of the Distribution Rights made (X) to such holder' s Family Members, (Y) to a revocable trust created for the benefit of the holder of such Distribution Rights, or any of his or her Family Members; (Z) to the estate, executor, administrator, personal representative, devisee, or legatee of such holder of Distribution Rights, (ii) with respect to a holder of the Distribution Rights that is an entity, (X) a transferee or successor by operation of law of such Right Holder upon the merger, consolidation or other similar transaction involving the Right Holder or (Y) any transfer of Distribution Rights made to the holder of equity interests in such entity in a pro rata distribution, or (iii) a transfer to an entity that all of the equity interests of which are owned by the holder of the Distribution Rights or Permitted Transferee of such holder of Distribution Rights provided that such entity shall agree in writing that it shall be subject to the terms and conditions of this Agreement and it shall reconvey such interest to the holder of Distribution Rights prior to such time that it ceases to be a Permitted Transferee.

(b) Subject to Section 6(d), transfer of Distribution Rights to Permitted Transferees are effective upon (i) receipt by the CPR Administrator from the transferring Right Holder of (X) written notice of the proposed transfer which written notice shall include the name and address of the proposed Permitted Transferee and amount of transfer, (Y) an instrument evidencing such transfer is being made to a Permitted Transferee such as a letter of testamentary, trust organizational documents or a registered will (to the extent that such an instrument can reasonably be obtained) and (Z) a certificate of the Right Holder certifying that such transfer is being made to a Person that qualifies as a Permitted Transferee under this Agreement; (ii) such evidence of transfer being reasonably satisfactory to the CPR Administrator; and (iii) the CPR Administrator recording such transfer in the Rights Registry.

(c) The CPR Administrator shall, within 10 days of recording a transfer in the Rights Registry, notify in writing both the transferor and the Permitted Transferee, at the last known address set forth in the Rights Registry and in the notice referenced in Section 6(b)(i)(X) hereof respectively, of the completion of the transfer.

(d) The transferor shall reimburse the CPR Administrator for any reasonable expenses incurred in connection with the proposed transfer to a Permitted Transferee within 10 days of receipt of an invoice by the transferor from the CPR Administrator such invoice shall be sent via over night mail to the transferor (unless otherwise agreed to in writing by the parties) and shall be deemed received on the Business Day following the date such invoice is sent via overnight mail.

Section 7. Destruction of Cancelled Common Stock Certificates. All Cancelled Common Stock certificates, instruments and affidavits of loss and indemnity surrendered pursuant to Section 3 of this Agreement, shall, if surrendered to Reorganized Ampex or to any of its agents, be delivered to the CPR Administrator for cancellation or in cancelled form, or, if surrendered to the CPR Administrator, shall be cancelled by it, and no Distribution Rights shall be issued in lieu thereof except as expressly permitted by any of the provisions of this Agreement and the Plan. The CPR Administrator shall deliver to Reorganized Ampex all Cancelled Common Stock certificates, instruments or affidavit of loss and indemnity received by it at the written request of Reorganized Ampex, or destroy such cancelled certificates, and in such case shall deliver a certificate or other evidence of destruction thereof to Reorganized Ampex.

Section 8. Agreement of Right Holders. Every holder of Distribution Rights, by accepting the same, consents and agrees with Reorganized Ampex and the CPR Administrator and with every other holder of Distribution Rights that:

(a) the Distribution Rights are subject to the terms, provisions and conditions of the Plan and this Agreement;

(b) the Distribution Rights will not be represented by any certificates and may not be transferred or assigned except as expressly provided in Section 6 of this Agreement;

(c) the Distribution Rights do not represent equity ownership in Reorganized Ampex;

(d) the Distribution Rights do not bear any stated rate of interest;

(e) no Right Holder shall be entitled to vote, receive dividends or be deemed for any purpose the holder of any securities of Reorganized Ampex nor anything contained herein be construed to confer upon any Right Holder any of the rights of a stockholder of Reorganized Ampex or any right to vote for the election of directors or upon any matter submitted to stockholders at any meeting thereof, or to give or withhold consent to any corporate action, or to receive notice of meetings or other actions affecting stockholders, or to receive subscription rights, or otherwise; and

(f) notwithstanding anything in this Agreement to the contrary, none of the Company, Reorganized Ampex nor the CPR Administrator shall have any liability to any holder of a Distribution Right or other Person as a result of its inability to perform any of its obligations under this Agreement by reason of any preliminary or permanent injunction or other injunction, order, judgment, decree or ruling issued by a court of competent jurisdiction or by a governmental, regulatory or administrative agency or commission, or any statute, rule, regulation or executive order promulgated or enacted by any governmental authority prohibiting or otherwise restraining performance of such obligation; provided, however, Reorganized Ampex agrees to use commercially reasonable efforts to have any such injunction, order, judgment, decree or ruling lifted or otherwise overturned as soon as possible.

Section 9. Concerning the CPR Administrator.

(a) The Company agrees to pay to the CPR Administrator compensation in accordance with Schedule II hereto, for all services rendered by it hereunder and, from time to time, on demand of the CPR Administrator, its reasonable and documented out-of-pocket expenses, including reasonable fees or expenses of counsel and other disbursements incurred in the preparation, administration, delivery, execution and amendment of this Agreement and the exercise and performance of its duties hereunder. To the extent any expenses of the CPR Administrator are invoiced to and paid for by a Right Holder or Permitted Transferee pursuant to Section 6(d) hereof, the CPR Administrator shall not invoice or bill Reorganized Ampex for such expenses. Reorganized Ampex also agrees to indemnify the CPR Administrator for, and to hold it harmless against, any loss, liability, damage, judgment, fine, penalty, claim, demand, settlement, cost or expense (including, without limitation, the reasonable fees and expenses of legal counsel), incurred without gross negligence or willful misconduct on the part of the CPR Administrator (which gross negligence or willful misconduct must be determined by a final, non-appealable order, judgment, decree or ruling of a court of competent jurisdiction), for any action taken, suffered or omitted by the CPR Administrator in connection with the acceptance, exercise, performance or administration of its duties under this Agreement. The costs and reasonable expenses incurred by the CPR Administrator in enforcing this right of indemnification shall be paid by Reorganized Ampex. The provisions of this Section 9 and Section 11 below shall survive the termination of this Agreement, the distribution of all CPR Distributions or, expiration of the Distribution Rights and the resignation or removal of the CPR Administrator.

(b) The CPR Administrator shall be authorized and protected and shall incur no liability for or in respect of any action taken, suffered or omitted by it in connection with its administration of this Agreement or the exercise or performance of its duties hereunder, in reliance upon any instrument of transfer, power of attorney, affidavit, letter, notice, instruction direction, consent, certificate, statement, or other paper or document received by it from a Right Holder believed by it in the absence of bad faith or gross negligence to be genuine and to be signed, executed and, where necessary, verified or acknowledged, by the proper Person or Persons or otherwise upon the advice of counsel as set forth in Section 11(a) hereof.

Section 10. Merger or Consolidation or Change of Name of CPR Administrator. Any Person into which the CPR Administrator or any successor CPR Administrator may be merged or with which it may be consolidated, or any Person resulting from any merger or consolidation to which the CPR Administrator or any successor CPR Administrator shall be a party, or any Person succeeding to the business of the CPR Administrator or any successor CPR Administrator, shall be the successor to the CPR Administrator under this Agreement without the execution or filing of any paper or any further act on the part of any of the parties hereto, provided that such Person would be eligible for appointment as a successor CPR Administrator under the provisions of Section 12 hereof.

Section 11. Duties of CPR Administrator. The CPR Administrator shall perform its duties and obligations under this Agreement upon the following terms and conditions, by all of which Reorganized Ampex and the holders of Distribution Rights, by their acceptance thereof, shall be bound:

(a) The CPR Administrator may consult with legal counsel (who may be legal counsel for Reorganized Ampex, or retained by the CPR Administrator), and the advice or opinion of such counsel shall be full and complete authorization and protection to the CPR Administrator and the CPR Administrator shall incur no liability for or in receipt of any action taken, suffered or omitted by it in the absence of bad faith or gross negligence in accordance with such advice or opinion.

(b) Whenever in the performance of its duties under this Agreement the CPR Administrator shall deem it necessary or desirable that any fact or matter be proved or established by Reorganized Ampex prior to taking, omitting or suffering any action hereunder, such fact or matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a certificate signed by any one of the Chairman of the Board, the President, a Vice President, the Treasurer or the Secretary of Reorganized Ampex and delivered to the CPR Administrator; and such certificate shall be full and complete authorization and protection to the CPR Administrator and the CPR Administrator shall incur no liability for or in respect of any action taken, omitted or suffered by it in the absence of bad faith or gross negligence under the provisions of this Agreement in reliance upon such certificate.

(c) The CPR Administrator shall be liable hereunder to Reorganized Ampex and any other Person only for its own gross negligence or willful misconduct (which gross negligence or willful misconduct must be determined by a final, non-appealable order, judgment, decree or ruling of a court of competent jurisdiction).

(d) The CPR Administrator shall not have any liability for or be under any responsibility in respect of the validity of this Agreement or the execution and delivery hereof (except the due execution hereof by the CPR Administrator); any breach by the Company of any covenant or condition contained in this Agreement; nor shall it by any act hereunder be deemed to make any representation or warranty as to the Distribution Rights; nor shall it be responsible for any change in the Distribution Rights (including the Distribution Rights becoming null and void hereunder).

(e) The Company agrees that it will perform, execute, acknowledge and deliver or cause to be performed, executed, acknowledged and delivered all such further and other acts, instruments and assurances as may reasonably be required by the CPR Administrator for the carrying out or performing by the CPR Administrator of the provisions of this Agreement.

(f) The CPR Administrator is hereby authorized and directed to accept instructions with respect to the performance of its duties hereunder from any one of the Chairman of the Board, the President, a Vice President, the Secretary or the Treasurer of Reorganized Ampex, and to apply to such officers for advice or instructions in connection with its duties, and such instructions shall be full authorization and protection to the CPR Administrator, and the CPR Administrator shall not be liable for any action taken, omitted or suffered to be taken by it in the absence of bad faith or gross negligence in accordance with instructions of any such officer.

(g) The CPR Administrator may execute and exercise any of the rights or powers hereby vested in it or perform any duty hereunder either itself (through its directors, officers and employees) or by or through its attorneys or agents.

(h) No provision of this Agreement shall require the CPR Administrator to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder or in the exercise of its rights if it believes that repayment of such funds or adequate indemnification against such risk or liability is not reasonably assured to it.

(i) Except with respect to any notice given by a Right Holder pursuant to Section 6 hereof, the CPR Administrator shall promptly acknowledge in writing any written notice received by it from a Right Holder or Permitted Transferee pursuant to this Agreement, including such notices given by a Right Holder or Permitted Transferee pursuant to Section 13 hereof.

(j) A copy of this Agreement shall be available at all reasonable times for inspection by any Right Holder at the principal office of Reorganized Ampex. Upon written request of a Right Holder, the CPR Administrator shall transmit a copy of this Agreement to a Right Holder via first class mail.

(k) The CPR Administrator shall be protected and shall incur no liability for or in respect of any action taken, suffered or omitted by it in connection with its administration of the Distribution Rights or this Agreement in reliance upon an order, finding, instruction or other directive of the Bankruptcy Court, and shall act in accordance with any such order, finding, instruction or other directive.

Section 12. Change of CPR Administrator. The CPR Administrator or any successor CPR Administrator may resign and be discharged from its duties under this Agreement upon thirty (30) days' notice in writing mailed to Reorganized Ampex by registered or certified mail, and to the Right Holders or their respective Permitted Transferees as set forth in the Rights Registry by first-class mail. Reorganized Ampex may remove the CPR Administrator or any successor CPR Administrator upon ninety (90) days' notice in writing, mailed to the CPR Administrator or successor CPR Administrator, as the case may be, by registered or certified mail. If the CPR Administrator shall resign or be removed or shall otherwise become incapable of acting, Reorganized Ampex shall appoint a successor to the CPR Administrator. If Reorganized Ampex shall fail to make such appointment within a period of thirty (30) days after giving notice of such removal or after it has been notified in writing of such resignation or incapacity by the resigning or incapacitated CPR Administrator or by any Right Holder, then any Right Holder may apply to any court of competent jurisdiction for the

appointment of a new CPR Administrator. Any successor CPR Administrator, whether appointed by Reorganized Ampex or by such a court, shall be a corporation organized and doing business under the laws of the United States or of any state of the United States that is in good standing. After appointment, the successor CPR Administrator shall be vested with the same powers, rights, duties and responsibilities as if it had been originally named as CPR Administrator without further act or deed; but the predecessor CPR Administrator shall deliver and transfer to the successor CPR Administrator any property at the time held by it hereunder including the Rights Registry, and execute and deliver any further assurance, conveyance, act or deed necessary for the purpose. Not later than the effective date of any such appointment Reorganized Ampex shall file notice thereof in writing with the predecessor CPR Administrator and mail a written notice thereof to each Right Holder or its Permitted Transferee at the address of such Person set forth in the Rights Registry. Failure to give any notice provided for in this Section 12, however, or any defect therein, shall not affect the legality or validity of the resignation or removal of the CPR Administrator or the appointment of the successor CPR Administrator, as the case may be.

Section 13. Notices. Notices or demands authorized by this Agreement to be given or made by the CPR Administrator or by any holder of Disputed Existing Common Stock Interests, Right Holder or Permitted Transferee to or on Reorganized Ampex shall be sufficiently given or made if sent by facsimile or first-class mail, postage prepaid, addressed (until another address is filed in writing with the CPR Administrator) as follows:

Ampex Corporation
1228 Douglas Avenue
Redwood City, California 94063
Attn: Joel D. Talcott, Esq., General Counsel
Telephone: (650) 367-3330
Facsimile: (650) 367-3440

Any notice or demand authorized by this Agreement to be given or made by Reorganized Ampex or by any holder of Disputed Existing Common Stock Interests, Right Holder or Permitted Transferee to or on the CPR Administrator (including surrender of certificates of Cancelled Common Stock) shall be sufficiently given or made if sent by facsimile or first-class mail, postage prepaid, addressed (until another address is filed in writing with Reorganized Ampex) as follows:

Ampex International Sales Corporation
1228 Douglas Avenue
Redwood City, California 94063
Attn: Joel D. Talcott, Esq., General Counsel
Telephone: (650) 367-3330
Facsimile: (650) 367-3440

with copies to:

Law Offices of Vicki S. Gruber, P.C.
17 Conklin Street, Suite 1
Farmingdale, NY 11735
Telephone: (516) 845-8088
Facsimile: (516) 845-8757

Notices or demands authorized by this Agreement to be given or made by Reorganized Ampex or the CPR Administrator to any holder of Disputed Existing Common Stock Interests, Right Holder or Permitted Transferee shall be sufficiently given or made if sent by first-class mail, postage prepaid, addressed to such holder at the address of such holder as shown on the Rights Registry. A holder of Disputed Existing Common Stock Interests, Right Holder or Permitted Transferee may change its respective name, address or other contact information shown on the Rights Registry at any time by furnishing written notice of such change to the CPR Administrator.

Section 14. Termination.

(a) In the event of any (i) merger, consolidation or reorganization of Reorganized Ampex, (ii) sale or transfer of all or substantially all of the assets of Reorganized Ampex or (iii) sale or transfer of all or substantially all of the stock of Reorganized Ampex, this Agreement shall continue in full force and effect and shall bind any successor, transferee or assignee thereof.

(b) This Agreement shall terminate 90 days after the Distribution Date immediately following the Distribution Period in which the last remaining Existing Patents in Reorganized Ampex' s, or its successors' portfolio have been sold, transferred or expired. Upon termination of this Agreement pursuant to this Section 14, Distribution Rights granted to all Right Holders shall be cancelled and of no further force or effect and all Right Holders shall no longer have the right to receive any CPR Distributions with respect thereto.

(c) Any sale or transfer of Existing Patents shall be pursuant to terms of a bona fide arm' s-length transaction, including, without limitation, any sale or transfer of Existing Patents to affiliates or successors of Reorganized Ampex. For avoidance of doubt, all royalty free licenses by and between the Company and Ampex Data Systems Corporation (or its successors) shall not be deemed to be a sale or transfer subject to this Section Section 14(c).

Section 15. Supplements and Amendments. Except as provided in the last sentence of this Section 15, for so long as the Distribution Rights are outstanding, Reorganized Ampex may, and the CPR Administrator shall, if Reorganized Ampex so directs in writing, supplement or amend this Agreement without the approval of any Right Holders, provided that no such supplement or amendment may (a) adversely affect the interests of the Right Holders as such in any material respect, (b) cause this Agreement to become amendable other than in accordance with this Section 15 or (c) change, limit or increase the CPR Administrator' s rights, duties, liabilities or obligations.

In the event that any supplement or amendment to this Agreement would adversely affect the interests of the Right Holders in any material respect, such supplement or amendment shall be adopted with the consent or waiver of not less than fifty-one percent (51%) of the Right Holders based on their Pro Rata Percentage. Upon the delivery of a certificate from an appropriate officer of Reorganized Ampex which states that the supplement or amendment is in compliance with the terms of this Section 15, the CPR Administrator shall execute such supplement or amendment, provided that any supplement or amendment that does not change or increase the CPR Administrator' s rights, duties, liabilities or obligations shall become effective immediately upon execution by Reorganized Ampex, whether or not also executed by the CPR Administrator.

Section 16. Successors. All the covenants and provisions of this Agreement by or for the benefit of Reorganized Ampex or the CPR Administrator shall bind and inure to the benefit of their respective successors and assigns hereunder.

Section 17. Benefits of this Agreement. Nothing in this Agreement shall be construed to give to any Person other than the Company, the CPR Administrator and the Right Holders any legal or equitable right, remedy or claim under this Agreement; but this Agreement shall be for the sole and exclusive benefit of the Company, the CPR Administrator, the Right Holders and their Permitted Transferees.

Section 18. Inconsistency with Plan. This Agreement is entered into pursuant to the Plan and shall govern the Distribution Rights and related CPR Distributions issued pursuant to the Plan. Should any provision of this Agreement be inconsistent with a provision of the Plan, the terms and conditions of the Plan shall control; provided, however, that (i) in the event of an inconsistency between the Plan and this Agreement with respect to the terms of the Distribution Rights and the CPR Distributions, this Agreement shall control, and (ii) nothing in this Section 18 shall impact provisions of this Agreement that supplement provisions of the Plan but are not inconsistent therewith.

Section 19. Tax Reporting; Withholding.

(a) On or before January 31st of the year following each year in which a holder of Distribution Rights receives any CPR Distribution hereunder, the CPR Administrator shall prepare and mail to each such holder, unless such holder has provided the CPR Administrator with a valid, properly completed Internal Revenue Service Form W-8BEN, W-8ECI, W-8EXP or W-8IMY (each, a "Form W-8"), as applicable, in accordance with United States Treasury Regulations (the "Treasury Regulations") promulgated under the Internal Revenue Code of 1986, as amended (the "Code"), an appropriate Form 1099 reporting the distribution(s) as of the year of payment, in accordance with the Code and the Treasury Regulations. The CPR Administrator shall also prepare and file copies of such Forms 1099 by magnetic tape with the Internal Revenue Service on or before February 28th of the year following the distribution(s), in accordance with the Code and the Treasury Regulations.

(b) Reorganized Ampex and the CPR Administrator, as applicable, shall be entitled to deduct and withhold from any payment made to such holder pursuant to this Agreement such amounts as Reorganized Ampex or the CPR Administrator, as applicable, is required to deduct and withhold with respect to such payment pursuant to the Code and the Treasury Regulations or any provision of state, local or non-U.S. law, and shall timely remit any amount withheld to the Internal Revenue Service or other appropriate governmental authority or authorized financial institution in accordance with applicable law. To the extent that amounts are so withheld and paid over to the appropriate taxing authority by Reorganized Ampex or the CPR Administrator, such withheld amounts shall be treated for all purposes of this Agreement as having been paid to the holder in respect of which such deduction and withholding was made by Reorganized Ampex or the CPR Administrator, as the case may be.

(c) Should any issue arise regarding federal income tax reporting or withholding, the CPR Administrator shall be entitled, in its sole discretion, to refrain from taking any action, and shall be fully protected and shall not be liable in any way to Reorganized Ampex or any other Person or entity for refraining from taking such action, unless the CPR Administrator receives written instructions signed by Reorganized Ampex which eliminate such issue to the reasonable satisfaction of the CPR Administrator. Such action may be subject to additional fees.

(d) The Company and each Right Holder hereby agree that the Distribution Rights shall not be treated as an equity interest in the Company for income tax purposes.

Section 20. Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction or other authority to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

Section 21. Governing Law. This Agreement, including the rights, duties and obligations of the CPR Administrator, and the Distribution Rights issued hereunder shall be deemed to be a contract made under the laws of the State of New York and for all purposes shall be governed by and construed in accordance with the laws of such State applicable to contracts to be made and performed entirely within such State.

Section 22. Counterparts. This Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts shall together constitute but one and the same instrument.

Section 23. Descriptive Headings. Descriptive headings of the several Sections of this Agreement are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto have caused this Contingent Payment Rights Agreement to be duly executed and their respective corporate seals to be hereunder affixed and attested, all as of the day and year first above written.

AMPEX CORPORATION

By: /s/ Joel D. Talcott
Name: Joel D. Talcott
Title: Vice President & Secretary

AMPEX INTERNATIONAL SALES CORPORATION

By: /s/ Joel D. Talcott
Name: Joel D. Talcott
Title: Vice President & Secretary

Consent, agreement and acknowledgement of Hillside Capital Incorporated solely with respect to Section 2 of this Contingent Payment Rights Agreement:

HILLSIDE CAPITAL INCORPORATED

By: /s/ Raymond F. Weldon
Name: Raymond F. Weldon
Title: Managing Director

EXHIBIT A

EXAMPLES OF DISTRIBUTION MECHANICS

Capitalized terms used and not otherwise defined herein shall have the meanings ascribed to them in the Contingent Payment Rights Agreement to which this document is an exhibit (the "Agreement").

For purposes of the following examples, assume the following facts:

1. The Effective Date occurs on May 15, 2008.
2. Cumulative Net New Patent Revenue for the 2009 Distribution Period (January 1 - December 31, 2009) is $100,000,000.
3. Recovery Threshold Amount is $90,000,000.
4. Company Expenses for the 2009 Distribution Period are $50,000.
5. The Company had 100 shares of Existing Common Stock outstanding on May 14, 2008, the date immediately prior to the Effective Date.
6. Stockholder W held 50 shares of Existing Common Stock on May 14, 2008, the date immediately prior to the Effective Date and delivered certificates evidencing his 50 shares of Existing Common Stock to the CPR Administrator pursuant to the terms of the Agreement.
7. Stockholder X who has objected to the confirmation of the Plan held 10 shares of Existing Common Stock on May 14, 2008, the date immediately prior to the Effective Date.
8. Stockholder Y held 20 shares of Existing Common Stock on May 14, 2008, the date immediately prior to the Effective Date but the CPR Administrator was unable to locate Stockholder Y at his last known address qualifying Stockholder Y as a holder of Disputed Existing Common Stock Interest.
9. Stockholder Z held 20 shares of Existing Common Stock on May 14, 2008, the date immediately prior to the Effective Date; was initially located by the CPR Administrator but over time has failed to keep the CPR Administrator updated of his change of address resulting in Stockholder Z becoming a Forfeited Right Holder.

Examples of Distribution Mechanism:

Example 1 - Calculation of CPR Distributions. For the 2009 Distribution Period, the maximum amount of CPR Distributions to be made to Right Holders is $4,975,000 which is the amount that equals the product of (x) 0.5 times (y) the Cumulative Net New Patent Revenue in excess of the Recovery Threshold Amount less (z) the Company Expenses:

(0.5 x ($100,000,000 - $90,000,000)) - $50,000 = $4,950,000

Example 2 - Calculation of Pro Rata Percentage of holders of Existing Common Stock as of the date immediately prior to the Effective Date (e.g. Stockholder W's Pro Rata Percentage). Stockholder W' s Pro Rata Percentage of any CPR Distributions is 0.50 (50 shares held by Stockholder W divided by the total number of Existing Common Stock that is outstanding on the date that is immediately prior to the Effective Date (100 shares)).

Example 3 - Calculation of CPR Distributions to Right Holders (e.g. Stockholder W). For the 2009 Distribution Period, Shareholder W' s CPR Distribution is his Pro Rata Percentage of the CPR Distributions for that period:

0.50 x $4,950,000 = $2,475,000

Example 4 - CPR Distributions Allocable to holders of Disputed Existing Common Stock Interest (e.g. Stockholder Y). The CPR Administrator shall hold Stockholder Y' s Pro Rata Percentage (0.20) of the CPR Distributions for the 2009 Distribution Period in the CPR Reserve Account.

0.20 x $4,950,000 = $990,000

The CPR Administrator shall hold the $990,000 in the CPR Reserve Account until such time as the Disputed Existing Common Stock Interest held by Stockholder Y becomes an Allowed Existing Common Stock Interest (e.g. Stockholder Y establishing contact with the CPR Administrator) or the $990,000 reserved in the CPR Reserve Account for Stockholder Y becomes the subject of a final and binding court order or a written and binding settlement agreement whereby it is determined or agreed that Stockholder Y' s Disputed Existing Common Stock Interest shall never become an Allowed Existing Common Stock Interest. If the latter, Stockholder Y will forfeit the $990,000 as his Distribution Rights will be cancelled and the CPR Administrator will return the $990,000 to Reorganized Ampex. With respect to subsequent CPR Distributions (CPR Distributions that occur after the date all or a portion of the Disputed Existing Common Stock Interest of Stockholder Y is disallowed), the total CPR Distributions made by Reorganized Ampex will be reduced by that portion of Stockholder Y' s Disputed Existing Common Stock Interests that became permanently disallowed.

Example 5 - CPR Distributions Allocable to Forfeited Right Holders (e.g. Stockholder Z). If the CPR Administrator cannot locate Stockholder Z at his last known address within one year of the Distribution Date for the 2009 Distribution Period (March 31, 2011), Stockholder Z forfeits his $990,000 CPR Distribution for the 2009 Distribution Period. The $990,000 forfeited by Stockholder Z will be distributed to (i) the other Right Holders (in our example, Stockholder W is the only other Right Holder) and (ii) the CPR Reserve Account on account of Stockholder Y who holds Disputed Existing Common Stock Interest that can become Allowed Existing Common Stock Interest, in each case, on a pro rata basis. However, if Stockholder Y' s Disputed Existing Common Stock Interest is ultimately disallowed, his reserved CPR Distributions and his pro rata share of Stockholder Z' s forfeited CPR Distributions reserved on his behalf ($495,000) will be returned to Reorganized Ampex.

Example 6 - Total Distribution by Reorganized Ampex to CPR Administrator in Light of Objecting Stockholders (e.g. Stockholder X). Stockholder X objected to confirmation of the Plan and is not entitled to any CPR Distributions. For the 2009 Distribution Period, the total CPR Distributions to be made by Reorganized Ampex to the CPR Administrator is $4,455,000, comprised of (a) $2,475,000 for Stockholder W, plus (b) $990,000 for Stockholder Y to be held in the CPR Reserve Account, plus (c) $990,000 for Stockholder Z to be held until Stockholder Z can be located or to be distributed to other Right Holders pro rata after Stockholder Z becomes a Forfeited Right Holder.

Exhibit 99.1

Contact: Karen L. Dexter
Director, Investor Relations
Ampex Corporation
(650) 367-4111

AMPEX CONSUMMATES PLAN OF REORGANIZATION

Emerges from Bankruptcy as a Going Concern

REDWOOD CITY, Calif., October 3, 2008, - Ampex Corporation today announced that the United States Bankruptcy Court for the Southern District of New York entered an order consummating the plan of reorganization filed by Ampex and certain of its U.S. subsidiaries under chapter 11 of the United States Code ("the Plan"). In July 2008, all creditors entitled to vote on the Plan overwhelmingly voted in favor of it. All remaining conditions to Plan consummation have now been satisfied, permitting Ampex to emerge from bankruptcy as a going concern.

Ampex has received $5 million of new funding from Hillside Capital Incorporated that will be used for, among other things, general working capital purposes and to repay a portion of its outstanding Senior Notes. In addition, Hillside has provided Ampex with financing, if needed, to satisfy future pension contributions to its defined benefit plans. Upon emergence, Hillside holds approximately 95% of Ampex' s New Common Stock.

D. Gordon Strickland, Ampex' s Chief Executive Officer, commented, "Ampex has substantially delivered its capital structure through the reorganization process and now has a capital structure and the resources in place to continue to serve its customers as it has for more than 60 years."

Larry Chiarella, Ampex Data Systems' President, stated, "We greatly appreciate the loyalty of our suppliers, customers and employees during the reorganization process, and we look forward to being able to continue to supply the market with the state-of-the art products and services for which Ampex has always been known."

Ampex Corporation, www.ampex.com, headquartered in Redwood City, California, is one of the world' s leading innovators and licensors of technologies for the visual information age.

This news release may contain predictions, projections and other statements about the future that are intended to be "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause the Company' s actual results, performance or achievements, or industry results, to differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements. Such risks, uncertainties and other important factors include, but are not limited to, those described in the Company' s 2007 Annual Report on Form 10-K, its Quarterly Reports on Form 10-Q and the other documents the Company periodically files with the SEC. These forward-looking statements speak only as of the date of this report, and the Company disclaims any obligation or undertaking to update such statements. In assessing forward-looking statements contained in this report, readers are urged to read carefully all such cautionary statements.