

EXHIBIT E

550035

**AGREEMENT TO ADVANCE FUNDS
SECURED BY INSURANCE PROCEEDS AND MORTGAGE**

This Agreement to Advance Funds Secured by Insurance Proceeds and Mortgage (the "Agreement") is entered into as of November ____, 2004, by and between NIPPON ELECTRIC GLASS OHIO, INC. ("Lender") and NIPPON ELECTRIC GLASS MEXICO, S.A. DE C.V. ("Borrower").

RECITALS

A. Lender is a corporation incorporated under the laws of the State of Delaware, in the United States of America. Borrower is a corporation incorporated under the laws of Mexico. Lender owns 49,999 of the 50,000 issued and outstanding shares of the Borrower's capital stock.

B. On or about September 1, 2004, Lender filed a petition under chapter 11 of title 11 of the United States Code and is currently operating as a debtor-in-possession in the case titled, *In re Nippon Electric Glass Ohio, Inc.*, Case No. 04-63851, United States Bankruptcy Court for the Southern District of Ohio (the "Bankruptcy Case").

C. Borrower is the owner of a building located at Calzada Robledo Industrial No. 338, Col. Colorado Dos, Mexicali, B.C., Mexico 21384 (the "Mexicali Facility"). Borrower provided assembly and manufacturing services for Lender at the Mexicali Facility pursuant to a maquila agreement. Borrower is also the owner of the land on which the Mexicali Facility is situated (the "Mexicali Land").

D. On or about October 7, 2004, the Mexicali Facility was damaged by fire, causing a cessation of Borrower's operations and production and substantial loss to Borrower (the "Fire Loss"). Borrower has casualty insurance, including fire insurance, pursuant to an insurance policy, Policy No. 1351105, issued by Grupo Nacional Provincial, S.A. (the "Insurance Policy"). Borrower expects to submit a claim under the Insurance Policy for an amount in excess of U.S. \$4.5 million on account of the Fire Loss.

E. As a result of the Fire Loss, Borrower plans to terminate most of its employees at the Mexicali Facility and will incur substantial obligations for severance payments to the employees, estimated at up to U.S. \$460,000. Borrower also may have other expenses relating to the Fire Loss.

F. As a result of cessation of its operations, Borrower does not have sufficient cash available, pending receipt of the insurance proceeds for the Fire Loss, to pay severance payments to its employees required by Mexican law and pay other anticipated expenses related to the Fire Loss.

G. Borrower therefore wishes to obtain an advance from Lender, and Lender has agreed to advance to Borrower up to U.S. \$500,000, on the terms and conditions set forth in this

Agreement, with repayment to be secured by (a) a pledge of Borrower's interest in the Insurance Policy and insurance proceeds payable to Borrower under the Insurance Policy for the Fire Loss and (b) a mortgage on the Mexicali Land.

WHEREFORE the parties have agreed as follows:

TERMS OF AGREEMENT

A. The Advance

1. Principal Amount. Subject to the terms and conditions set forth herein, Lender shall advance to Borrower an amount not to exceed U.S. \$500,000 (the "Advance"). The Advance shall be evidenced by a promissory note (the "Note") in the form attached hereto as Exhibit A.

2. Interest Rate. The unpaid principal amount of the Advance shall bear interest from the date the Advance is made until the principal sum is paid in full, at a fixed rate of 6.75%, or the maximum rate allowed by applicable law, whichever is lower. Whenever an Event of Default exists and has not been cured, the interest rate shall be increased to 8.75%.

3. Use of Advance. The funds advanced by Lender shall be used solely for (1) severance payments to Borrower's employees as required by applicable law, and (2) other expenses caused by and resulting from the Fire Loss.

4. Repayment. The Advance and all interest accrued thereon shall be repaid to Lender on the date (the "Repayment Date") of the earlier of (1) the insurer's payment of a sufficient amount in insurance proceeds of the Insurance Policy covering the Fire Loss to repay Borrower's obligation to Lender, or (2) one year from the date of the Advance. Borrower may prepay the Advance in whole or in part at any time, without penalty, together with all accrued but unpaid interest to the date of payment.

B. The Collateral

5. Borrower hereby grants to Lender a security interest in and to the following assets of Borrower (collectively, the "Collateral") to secure repayment of the Advance and all other obligations of Borrower under this Agreement, the Note, and related documents:

(a) Borrower shall execute and deliver to Lender a pledge of the Insurance Policy and all insurance proceeds thereof that are payable to Borrower for the Fire Loss, substantially in the form attached hereto as Exhibit B (the "Pledge Agreement").

(b) Borrower shall execute and deliver to Lender a mortgage on the Mexicali Land, substantially in the form attached hereto as Exhibit C (the "Mortgage").

6. Borrower shall also execute such other documents and take such other action as may be requested by Lender to evidence and perfect a security interest in the Collateral. Borrower hereby authorizes Lender to take any and all such actions as Lender deems appropriate

to evidence and perfect Lender's security interest in the Collateral. Execution of the Pledge Agreement and Mortgage shall not, in and of themselves, constitute repayment of the Advance or extinguish Borrower's liability to Lender, and Borrower shall remain liable for repayment of the Advance and interest thereon until payment is received by Lender, whether from the insurance proceeds or from other payment by Borrower.

B. Representations and Warranties

7. To induce Lender to make the Loan, Borrower hereby warrants and represents to Lender that at and as of the date hereof:

(a) Borrower is duly organized under applicable law, is qualified to do business and has complied with all law necessary to conduct its business as presently conducted.

(b) Borrower has the corporate power, legal right and authority, and has taken all necessary corporate actions, completed all proceedings, obtained all approvals and consents necessary, and no third party consents are required, to execute, deliver, and perform this Agreement, the Note, the Pledge Agreement, the Mortgage and the transactions contemplated hereby and thereby.

(c) The execution, delivery and performance of this Agreement, the Note, the Pledge Agreement and the Mortgage will not contravene, or constitute a default under or result in a lien upon assets of Borrower pursuant to any applicable law or regulation, any charter document of Borrower, or any contract, agreement, judgment, order, decree, or other instrument binding upon or affecting Borrower or its properties.

(d) This Agreement, the Note, the Pledge Agreement and the Mortgage when executed will constitute the legal, valid and binding obligations of Borrower enforceable in accordance with their respective terms.

(e) No representation or warranty made by Borrower in this Agreement and no other document or statement furnished to Lender by or on behalf of Borrower contains any material misstatement of a material fact or omits to state any material fact necessary in order to make the statements contained herein or therein not misleading.

(f) Borrower is the sole owner of the Collateral and the Collateral is free and clear of any existing liens, encumbrances or claims of other parties.

C. Covenants

8. So long as any part of the Advance shall remain unpaid, Borrower will:

(a) Maintain accurate books and records in accordance with generally accepted accounting principles, and permit inspection of same and any properties of Borrower by Lender at Lender's request.

(b) Promptly furnish to Lender financial statements and information, accompanied by a certificate or opinion of an independent certified public accountant of nationally recognized standing, in each case, as Lender may from time to time request and in form and substance satisfactory to Lender.

(c) Pay all liens, taxes, assessments and other governmental charges relative to the Collateral and all other assets of Borrower as they become due and payable; provided, however, that nothing herein contained shall require Borrower to pay any tax or other lien so long as its validity is contested in good faith and adequate provision, acceptable to Lender, has been made therefor.

(d) Except for the security interest granted herein to Lender, keep the Collateral free from any lien, security interest or other encumbrance and defend the Collateral against all claims and demands of all persons at any time claiming a lien, security interest, encumbrance or other interest against or in the Collateral adverse to the rights of Lender.

(e) Comply with all laws, regulations, ordinances and rules and licenses, permits and approvals of any governmental entity applicable to Borrower.

(f) Perform all obligations set forth in this Agreement, the Note, the Pledge Agreement and the Mortgage.

D. Events of Default; Remedies

9. Any one or more of the following shall constitute an "Event of Default" hereunder and under the Note:

(a) Failure by Borrower to make any payment of principal or interest on the Note on or before the Repayment Date.

(b) Failure by Borrower to observe or perform any other term, covenant or provision of this Agreement, the Note, the Pledge Agreement or the Mortgage, which is not remedied within 10 days after written notice thereof from Lender to Borrower.

(c) Any representation made or information furnished to Lender by or on behalf of Borrower shall be inaccurate or incomplete in any material respect.

(d) Borrower shall admit in writing its inability to pay its debts as they become due or shall become insolvent (however otherwise evidenced) or there shall be commenced any bankruptcy, insolvency, receivership, assignment for benefit of creditors or other debtor-relief proceedings by or against Borrower and, if involuntary, the same is not dismissed within 60 days.

(e) Lender fails at any time until the Advance is repaid to have an enforceable first priority lien or security interest in the Collateral, or any part thereof.

(f) The insurer on the Insurance Policy denies coverage or liability to Borrower for the Fire Loss.

10. When an Event of Default has occurred and is continuing, Lender may declare the unpaid balance of the Note, and accrued interest thereon, immediately due and payable, proceed to collect same, and exercise any and all other rights, powers and remedies given Lender by this Agreement, the Note, the Pledge Agreement and the Mortgage, or otherwise available to Lender at law or in equity, including, without limitation, taking possession of the Collateral and selling or otherwise disposing of the same at a private or public disposition and exercising all other rights and remedies of a secured party under applicable law. Except as may be prohibited by applicable law, all of Lender's rights and remedies shall be cumulative and may be exercised singularly or concurrently. Election by Lender to pursue any remedy shall not exclude pursuit of any other remedy.

E. Miscellaneous

11. Court Approval. This Agreement is subject to approval by the Bankruptcy Court in the Bankruptcy Case, and shall be of no force or effect until entry of an order of the Bankruptcy Court authorizing Lender to enter into this Agreement and approving the terms of this Agreement.

12. Attorneys Fees and Other Expenses. Borrower shall pay all costs and expenses of Lender (including fees and disbursements of counsel) incident to the preparation and negotiation of this Agreement, the Note, the Pledge Agreement, the Mortgage and any related documents. In the event of any action or proceeding that involves the rights or obligations of Lender or Borrower under this Agreement, the Note, the Pledge Agreement or the Mortgage, the prevailing party shall be entitled to reimbursement from the other party of all costs and expenses associated with said action or proceeding, including reasonable attorneys' fees and expenses incurred in the representation of Lender in any aspect of any bankruptcy or insolvency proceeding initiated by or on behalf of the Borrower that concerns Borrower's obligations to Lender.

13. Complete Agreement. This Agreement, the Note, the Pledge Agreement and the Mortgage embody the entire agreement and understanding between Borrower and Lender and supersede all prior agreements and understandings relating to the subject matter hereof. No alteration or amendment to this Agreement, the Note, the Pledge Agreement or the Mortgage shall be effective unless given in writing and signed by the party sought to be charged or bound by the alteration or amendment.

14. Further Assurances. Borrower and Lender agree to do such things, perform such acts, and make, execute, acknowledge and deliver such documents as may be necessary or proper and usual to carry out the purpose of this Agreement in accordance with its terms.

15. Governing Law; Jurisdiction. This Agreement and the Note shall be governed by and construed in accordance with the laws of the State of California. Any legal action or proceeding with respect to this Agreement or the Note shall be brought in San Diego, California,

provided that any legal action or proceedings with respect to the Collateral may be brought in such other jurisdiction as may be required to enforce Lender's rights in the Collateral.

16. **Waiver of Jury Trial.** In any action, proceeding or claim arising from or relating to this Agreement, the Note or the Pledge Agreement, Borrower and Lender waive any right to trial by jury.

17. **No Waiver by Lender.** Lender shall not be deemed to have waived any rights under this Agreement unless such waiver is given in writing and signed by Lender. No forbearance, failure, or delay by Lender in exercising any right, power or remedy shall operate as a waiver of such right or any other right. No prior waiver by Lender, nor any course of dealing with Lender and Borrower, shall constitute a waiver of any of Lender's rights or Borrower's obligations as to future transactions.

18. **Assignability.** This Agreement is binding on Borrower's and Lender's respective heirs, successors and assigns. Borrower may not assign any of its rights or delegate any of its obligations under this Agreement, the Note, the Pledge Agreement or the Mortgage without Lender's prior written consent. Lender may, without prior notice to or approval of Borrower, sell or assign to any third party any of Lender's right, title and interest under this Agreement, the Note, the Pledge Agreement or the Mortgage.

19. **Notices.** All notices required or permitted under this Agreement or the Note must be in writing and may be personally served, transmitted by facsimile, or sent by international courier, with return receipt requested and postage prepaid, addressed as follows, except that any party may by written notice change its address for subsequent notices to be given hereunder:

Lender:

Nippon Electric Glass Ohio, Inc.
P.O. Box 220
El Centro, CA 92444
Fax: _____
Attention: Akira Murakami

Borrower:

Nippon Electric Glass Mexico, S.A. de C.V.
Calzada Robledo Industrial #338
Col. Colorado Dos
Mexicali, BC Mexico 21384
Fax: _____
Attention: Katsuo Takeda

20. **Time of Essence.** Time is of the essence in the performance of this Agreement, the Note, the Pledge Agreement and the Mortgage.

21. Counterparts; Facsimile Signatures. This Agreement may be executed in counterparts, each of which shall constitute an original and both of which, when taken together, shall constitute one agreement. A signature transmitted by facsimile shall be deemed to be an original.

WHEREFORE, this Agreement was executed by each of the parties effective as of the date stated in the first paragraph.

BORROWER:

NIPPON ELECTRIC GLASS MEXICO, S.A. de C.V.

By: _____

Title: _____

LENDER:

NIPPON ELECTRIC GLASS OHIO, INC.

By: _____

Title: _____

EXHIBIT A

PROMISSORY NOTE

U.S. \$500,000

November __, 2004

FOR VALUE RECEIVED, NIPPON ELECTRIC GLASS MEXICO, S.A. de C.V., a Mexican corporation ("Borrower") hereby unconditionally promises to pay to the order of NIPPON ELECTRIC GLASS OHIO, INC., a Delaware corporation ("Lender"), at such place as designated by Lender, the principal amount of Five Hundred Thousand Dollars (U.S. \$500,000) (the "Advance"), together with accrued and unpaid interest, fees and expenses due and payable by Borrower to Lender, on the date that is the earlier of (1) the insurer's payment of insurance proceeds under that certain insurance policy, Policy No. 1351105, issued by Grupo Nacional Provincial, S.A, in sufficient amount to pay Borrower's obligation to Lender, or (2) November __, 2005.

Interest shall accrue on the principal amount advanced at the rate of 6.75 percent per annum, or the maximum allowed by applicable law, whichever is lower, provided that whenever an Event of Default, as defined in that Agreement to Advance Funds Secured by Insurance Proceeds between Borrower and Lender, dated November __, 2004 (the "Agreement") exists and has not been cured, the interest rate shall be increased to 8.75 percent.

Borrower promises to pay interest on the unpaid principal amount of the Advance from the date of the Advance until such principal sum is paid in full with interest. Both principal and interest are payable in lawful money of the United States of America and in immediately available funds. All payments and prepayments received by Lender shall be applied first to accrued interest, then to any other charges due with respect to this Note and the Agreement, and then to the unpaid principal balance.

Upon the occurrence of one or more of the Events of Default specified in the Agreement, all amounts then remaining unpaid on this Note shall become, or may be declared to be, immediately due and payable. Borrower, for itself, its successors and assigns, hereby waives diligence, presentment, protest and demand and notice of protest, demand, dishonor and non-payment of this Note.

In addition to and not in limitation of the foregoing and the provisions of the Agreement, Borrower further agrees to pay all expenses, including reasonable attorneys' fees and legal expenses, incurred by Lender or the holder of this Note in the collection of amounts payable hereunder which are not paid when due, whether by acceleration or otherwise.

This Note is secured by Collateral as defined in the Agreement.

NIPPON ELECTRIC GLASS MEXICO, S.A. de C.V.

By: _____

Title: _____

EXHIBIT B

PLEDGE AGREEMENT

PLEDGE AGREEMENT entered into on November __, 2004 by and between **NIPPON ELECTRIC GLASS MEXICO, S.A. DE C.V.**, represented herein by Mr. _____, (hereinafter referred to as the "**Pledgor**") and **NIPPON ELECTRIC GLASS OHIO, INC.**, represented herein by Mr. _____, (hereinafter referred to as the "**Pledgee**") pursuant to the following recitals and clauses:

RECITALS:

WHEREAS, Pledgor, is a Mexican entity, duly formed pursuant to Mexican legislation and is dedicated to the manufacture and assembly of glass parts for televisions pursuant to a maquila agreement with Pledgee, which business is located at Calzada Robledo Ind. #338, Colonia Colorado Dos Cerro Prieto, Mexicali, Baja California, México;

WHEREAS, Pledgor's representative has full authority to enter into this Pledge Agreement and to the date of execution hereof, such authority has not been limited nor revoked in any manner whatsoever;

WHEREAS, Pledgee is a legal entity duly formed pursuant to the laws of the State of Delaware, United States of America;

WHEREAS, Pledgee and Pledgor have entered into an "Agreement to Advance Funds Secured by Insurance Proceeds and Mortgage" of the same date as of the execution hereto (hereinafter referred to as the "**Agreement to Advance Funds**"), in which Pledgee agreed to advance to Pledgor up the amount of US\$500,000.00 (FIVE HUNDRED THOUSAND 00/100 DOLLARS) currency of the United States of America, in order for Pledgor to liquidate certain labor and other obligations of Pledgor (hereinafter referred to as the "**Advance**"). That the Advance under the Agreement to Advance Funds has been duly funded by Pledgee to Pledgor and documented by the parties with a promissory note executed by Pledgor in favor of Pledgee on the same date as of the execution hereof, (hereinafter referred to as the "**Promissory Note**") a copy of which is attached hereto as **Exhibit "A"**.

WHEREAS, Pledgor's industrial facility located at Calzada Robledo Ind. #338, Colonia Colorado Dos Cerro Prieto, Mexicali, Baja California, México was destroyed by a fire, resulting in a substantial loss to Pledgor. Pledgor has a casualty insurance policy, Policy No. 1351105, issued by "Grupo Nacional Provincial." (hereinafter referred to as the "**Insurance Policy**"). Pledgor represents and warrants that the Insurance Policy was valid at the time of the fire loss and that it is pursuing a claim under the Policy with Grupo Nacional Provincial. It is agreed by the parties hereto, that in addition to the execution of the Promissory Note executed by Pledgor in favor of Pledgee for purposes of documenting the Advance, Pledgor's obligation to repay the Advance and other obligations under the Agreement to Advance Funds will be secured with the insurance proceeds derived from Pledgor's claim under the Insurance Policy (hereinafter referred to as the "**Insurance Proceeds**"). A copy of the Insurance Policy is attached hereto as **Exhibit "B"**; and

WHEREAS, the parties hereto desire to perfect Pledgee's security interest in and over the Insurance Policy and the Insurance Proceeds in a manner consistent with Mexican Law.

NOW, THEREFORE, the parties agree to bind themselves pursuant to the following:

CLAUSES:

First.- Establishment of the Pledge. In order to secure the payment of the Advance, the interest derived from the Advance and all other obligations of Pledgor to Pledgee under the Agreement to Advance Funds and the Promissory Note, and in accordance with Articles 346-380 of the General Law of Negotiable Instruments and Credit Operations of Mexico, Pledgor hereby establishes and perfects a pledge in favor of Pledgee, who hereby accepts such pledge, over the Insurance Proceeds and the Insurance Policy attached hereto as Exhibit "B" which forms an integral part of this Pledge Agreement.

Second.- Insurance Proceeds. Pledgor represents and warrants that it will timely perform all acts necessary to assert and pursue its claim with Grupo Nacional Provincial under the Insurance Policy derived from the fire that its industrial building suffered, in order to recover the losses and damages that Pledgor has endured in connection thereto. The parties hereto expressly agree that Pledgor shall direct Grupo Nacional Provincial to pay to Pledgee, for Pledgor's account, the Insurance Proceeds payable to Pledgor, up to an amount necessary for Pledgor to repay the Advance and interest thereon and any other obligations due and owing from Pledgor to Pledgee under the Agreement to Advance Funds and the Promissory Note. Pledgor represents and warrants that it shall not use, pledge or in any other manner dispose of or affect the Insurance Proceeds until such time Pledgor has completely paid in full to Pledgee all of its obligations to Pledgee under the Agreement to Advance Funds and Promissory Note, including all ordinary and default interest. Pledgor acknowledges and agrees that until the payment in full to Pledgee of all amounts owed to Pledgee, such Insurance Policy and Insurance Proceeds will remain pledged in favor of Pledgee.

Third.- Registration. Upon execution of the Spanish version of this Pledge Agreement, the parties agree to perform any and all necessary acts or actions, and to execute or cause to be executed any and all documents necessary or required for obtaining and maintaining the proper registration of this Pledge Agreement with the Public Registry of Property and Commerce for the City of Mexicali, Baja California, Mexico, as well as any other registration or authorization that may be required under Mexican Law for the validity and enforceability of the pledge over the Insurance Policy and Insurance Proceeds, and Pledgee further agrees to obtain all notarial and any other certifications, authorizations or legalizations that may be required thereto. Furthermore, Pledgor agrees that once the Spanish version of this Pledge Agreement has been ratified by Pledgee, Pledgor shall ratify the execution of this Pledge Agreement at the presence of a Mexican Notary Public, and pay at its expense, any and all applicable notarial costs and registration fees, charges, taxes or any other amounts payable in order to obtain the proper registration of this Pledge Agreement with the Public Registry of Property and Commerce for the City of Mexicali, Baja California, Mexico. In turn Pledgee agrees to ratify the execution of this Pledge Agreement before a U.S. Notary Public and secure an Apsotille on such document.

Fourth.- Compliance with obligations. Pledgor hereby covenants and agrees that it shall comply with all of its obligations to Pledgee under the Agreement to Advance Funds and the Promissory Note and will execute and comply with all its duties regarding the Insurance Policy and Insurance Proceeds, and that it will perform all actions or procedures required for the obtainment of the Insurance Proceeds, as requested by Grupo Nacional Provincial or any other entity or authority, including without limitation, the filing of additional information and documentation, affidavits, evidence, as well as of the payment of any amount

required to process the insurance claim, if any. In addition, Pledgor shall be responsible to pay all expenses, taxes, surcharges, fees, penalties and registration fees duties imposed thereon.

Fifth.- Default. The following events shall be considered "Events of Default" of Pledgor's obligations for purposes of this Pledge Agreement:

- a) The occurrence of any default under the Agreement to Advance Funds or the Promissory Note.
- b) The default by Pledgor in the payment of any and all applicable federal, local or municipal taxes, surcharges, fees, duties or any other assessment made on or with respect to Pledgor's assets, including without limitation the Insurance Policy and Insurance Proceeds.
- c) If Pledgor assigns or in any manner transfers or affects the property of the Insurance Policy and Insurance Proceeds to any person other than the Pledgee or any person designated by the Pledgee.
- d) If Pledgor defaults on the exact compliance of any of its obligations under this Pledge Agreement.

Sixth.- Enforcement. In case of the occurrence of any Event of Default, Pledgee shall have the right, at its option, to enforce its rights under this Pledge Agreement, including without limitation, the right to execute the pledge hereby granted on the Insurance Policy and Insurance Proceeds. In such case, Pledgee shall have the right to request judicially the sale of the Insurance Policy and Insurance Proceeds, pursuant to the provisions of Second Title, Chapter IV, Section VII of the General Law of Negotiable Instruments and Credit Operations of Mexico.

Seventh.-Term. The pledge over the Insurance Policy and Insurance Proceeds to Pledgee pursuant to this Pledge Agreement shall be effective from the date of execution hereof, and shall continue in full force and effect until the date on which the Advance and interest thereon have been fully paid to Pledgee and Pledgor has satisfactorily complied with any other obligation toward Pledgee under the Agreement to Advance Funds and Promissory Note, or until otherwise terminated by express written agreement signed by Pledgee and Pledgor.

Eighth.- Notices. All notices or communications shall be made in writing and shall be personally served , transmitted by facsimile, or sent by certified mail, returned receipt requested, or by international courier to the following addresses, except that any party may by written notice change its address for subsequent notices to be given hereunder:

Pledgee:

Nippon Electric Glass Ohio, Inc.
P.O. Box 220
El Centro, CA 92444
United States of America
Fax: _____
At'n: Mr. Akira Murakami

Pledgor:

Nippon Electric Glass Mexico, S.A. de C.V.

Calzada Robledo Industrial # 338

Colonia Colorado Dos

Mexicali, Baja California 21384

México

Fax: _____

At'n: Mr. Katsuo Takeda

Ninth. Language. This Pledge Agreement is executed in English and Spanish, both languages shall be valid and shall constitute the same instrument, in the understanding, however, that in case of dispute on the correct interpretation of this Pledge Agreement, the Spanish version shall prevail.

Tenth. Applicable law. This Pledge Agreement shall be governed by and construed in accordance with the applicable laws of the United Mexican States.

IN WITNESS WHEREOF, the parties have executed this Pledge Agreement in duplicate on November __, 2004.

PLEDGOR

PLEDGEE

**NIPPON ELECTRIC GLASS MEXICO,
S.A. DE C.V.**

**NIPPON ELECTRIC GLASS
OHIO, INC.**

By: _____
Title: _____

By: _____
Title: _____

WITNESS

WITNESS

Name: _____

Name: _____

[Exhibits to Pledge Agreement Not Attached]

EXHIBIT C

FORM OF MORTGAGE

VOLUME

NUMBER:

In the City of Mexicali, State of Baja California, Mexico, on the _____ day of November of the year two thousand four, before me _____, Notary Public Number _____ for this jurisdiction, appeared **“NIPPON ELECTRIC GLASS MEXICO”, SOCIEDAD ANÓNIMA DE CAPITAL VARIABLE**, hereinafter referred to as the **"BORROWER"**, represented herein by **Mr. Katsuo Takeda**, in his capacity as legal representative of said company; to **GRANT AN UNILATERAL REAL ESTATE MORTGAGE**, pursuant to the following Recitals and Clauses:

RECITALS

FIRST.- The BORROWER states, through its legal representative:

a) That through public instrument number 31,091, volume 571, dated February 6, 1998, granted by Mr. Fernando Diaz Cevallos, Notary Public Number 4 for the City of Mexicali, Baja California, it acquired a plot of land of approximately 120,941.20 (One Hundred Twenty Thousand Nine Hundred Forty One point Twenty) square meters, known as Lot 1 (One) of Block 3 (Three) of the Industrial Development known as “Desarrollo Industrial Colorado”, located in the City of Mexicali, Baja California, which transaction was duly registered with the State’s Public Registry of Property and Commerce, in its Mexicali Office, under file number 5136528, of the Civil Section, dated February 24, 1998 (hereinafter referred to as the **“Land”**). It further states that the Land has the following metes and bounds: To the North, in a curved line of three sections 42.30 meters, 349.793 meters and 42.412 meters with Ave. El Piñon; to the East, in 123.968 and 149.032 meters with Calzada Robledo Industrial; to the South, in 404.704 meters with Lot 2 (two); and to the West in 273.078 meters with Calzada Ciudad de Mexicali.

b) That it is the legal owner of all constructions and improvements effected on the Land, as well as those to be effected to construct an industrial building on the Land (hereinafter referred to as the

“Improvements”). Both the Land and the Improvements shall hereinafter be jointly referred to as the **“Property”**.

c) That the Property is clear and free from any liens, encumbrances or limitations of ownership, and is current with its fiscal obligations as evidenced with the receipts of the real estate property tax, the certificates of non-encumbrances issued by the Public Registry of Property of Mexicali, Baja California, and the certificates of non-fiscal indebtedness issued by the State and Municipal Authorities of the City of Mexicali, Baja California, a copy of such documents is attached hereto under the letters mentioned below.

d).- That on _____, 2004 (two thousand four), it executed with **NIPPON ELECTRIC GLASS OHIO, INC**, an entity created pursuant to the laws of the United States of America (hereinafter referred to as the **“LENDER”**) an Agreement to Advance Funds Secured by Insurance Proceeds and Mortgage (hereinafter the **“Advance Agreement”**) whereby **LENDER** granted a **Advance** to **BORROWER** in the principal amount of **US\$500,000.00 (FIVE HUNDRED THOUSAND 00/100 DOLLARS)**, legal currency of the United States of America (hereinafter referred to as the **“Advance”**), and that the **Advance** has been documented with a **Promissory Note** issued by **BORROWER** in favor of the **LENDER** (hereinafter referred to as the **“Promissory Note”**). An executed copy of the **Advance Agreement** is attached hereto under the letter mentioned herein below, and which is deemed hereby reproduced as inserted literally.

e) That in order to guarantee the punctual and total payment of the **Advance**, interests and other accessories, as well as every and all of the obligations assumed by the **BORROWER** under the **Advance Agreement**, the **Promissory Note** documenting the **Advance** and under this instrument, **BORROWER** wishes to grant a mortgage on the Property in first place and degree in favor of the **LENDER**.

Having stated the foregoing, the parties grant the following:

CLAUSES

FIRST.- GRANTING OF MORTGAGE.- To guarantee the punctual and total payment of the Advance made according to the **Advance Agreement**, ordinary and penalty interest, costs and

expenses in the event of judicial intervention, and the fulfillment of each and all of the obligations assumed by **BORROWER** under the **Advance Agreement**, the **Promissory Note** documenting such advance, and the obligations of **BORROWER** derived from this instrument, the law or judicial resolutions issued in favor of **LENDER** (all the above mentioned obligations shall be hereinafter collectively referred to as the **“Guaranteed Obligations”**), the **BORROWER** grants a **MORTGAGE IN FIRST PLACE AND DEGREE in favor of the LENDER, NIPPON ELECTRIC GLASS OHIO, INC,** on the Property described in First Recital, paragraphs a) and b) hereof, with the characteristics, area, metes and bounds stated on such recital and which are deemed hereby reproduced as inserted literally (the mortgage granted herein shall be hereinafter referred to as the **“Mortgage”**).

The Mortgage hereby granted does not have any restrictions or limitations whatsoever and shall continue in effect until the Guaranteed Obligations are totally paid.

The Mortgage shall be indivisible, therefore, such security interest cannot be reduced during the time the Guaranteed Obligations continue to be outstanding, in whole or in part; therefore **BORROWER** hereby expressly waives the benefits set forth in Article 2780 (two thousand seven hundred and eighty) of the Civil Code for the State of Baja California and its corresponding Article 2913 (two thousand nine hundred and thirteen) of the Federal Civil Code, the contents and extent of which the **BORROWER** hereby acknowledges to be aware of.

The Mortgage that is herein granted by **BORROWER** is created on its own will, is irrevocable and may only be cancelled upon **LENDER’S** request.

SECOND.- EXTENT OF THE MORTGAGE.- The Mortgage herein granted is created in accordance with Article 2787 (two thousand seven hundred and eighty seven) and related articles of the Civil Code for the State of Baja California, and its corresponding Article 2920 (two thousand nine hundred and twenty) and related articles of the Federal Civil Code, which articles are not transcribed herein since **BORROWER** represents to know their content and accepts their terms; this Mortgage guarantees compliance of all Guaranteed Obligations, regardless of any other guarantee that may be created or granted in favor of **LENDER** by **BORROWER**.

Such Mortgage is extended to everything set forth in Articles 2763, (two thousand seven hundred and sixty three), 2764 (two thousand seven hundred and sixty four) and 2765-I, II and III (two thousand seven hundred and sixty five, sections one, two and three) of the Civil Code for the State of Baja California and their corresponding Articles 2896 (two thousand eight hundred and ninety six), 2897 (two thousand eight hundred and ninety seven) and 2898-I, II and III (two thousand eight hundred and ninety eight, section one, two and three) of the Federal Civil Code. Therefore, the Mortgage includes the natural accessions to the Property, improvements made by the owner on the goods mortgaged, fixtures permanently attached by the owner to the mortgaged Property and that cannot be separated without damaging the Property or deteriorating such fixtures, the new buildings constructed by the owner on the mortgaged Property, the new floors erected on the mortgaged buildings, the industrial products of the mortgaged goods produced before the time of payment of the **Advance** or before the Guaranteed Obligations are requested by **LENDER**, due and unpaid rent at the time the compliance of the Guaranteed Obligations are requested, the products and pending rental payments, the personal property permanently placed in the mortgaged building and owned by **BORROWER**, whether for decoration or conditioning or for the service of any industry or commerce, and in general all civil, industrial or natural products it proceeds, as well as the easements serving the mortgaged Property.

The Mortgage shall be deemed extended to all amounts used by the **BORROWER** within the limit of the **Advance Agreement**, its interests and other amounts payable under the **Advance Agreement** and the **Promissory Note** referred to in Recital First, paragraph d), which shall be deemed as reproduced herein for all legal effects as if it was inserted literally.

THIRD.- GUARANTEED INTERESTS AND SUBSISTENCE OF THE MORTGAGE.- The Mortgage granted by this instrument guarantees, in addition to the principal, all interest accrued on the **Advance**, even those exceeding three years and those affected by any applicable statutes of limitations, which shall be stated in the Public Registry of Property where the first official copy of this public instrument will be filed, as provided by Article 2782 (two thousand seven hundred and eighty two) of the Civil Code for the State of Baja California and its corresponding article 2915 (two thousand nine hundred and fifteen) of the Federal Civil Code.

The Mortgage shall be in effect during all the time there exists any outstanding amount owed by **BORROWER** derived from the Guaranteed Obligations. Therefore, the Mortgage shall be valid until all agreed upon payments have been paid in accordance with the **Advance Agreement**, including

ordinary and default interests, costs and expenses in the event judicial proceeding are required, all judicial costs and every and all obligations to be fulfilled by **BORROWER** that derive from the **Advance Agreement** and those derived from the obligations imposed on **BORROWER** derived from this instrument, the law or judicial resolution issued in favor of **LENDER**.

FOURTH.- RIGHT TO INSPECT.- **LENDER** shall have the right to inspect the Property subject matter of the Mortgage during working hours, through any person or persons appointed by **LENDER** for such purposes, in order for **LENDER** to verify the conditions and maintenance of the Property, provided it gives an advance written notice with at least 5 (five) calendar days prior to the date of inspection.

BORROWER shall not impede in any manner **LENDER'S** right to inspect the Property, being an event of default under the Guaranteed Obligations the violation to this provision.

FIFTH.- RESIGNATION TO BE NAMED DEPOSITARY.- In the event **LENDER** exercises any of its actions or rights derived herefrom or from the **Advance Agreement**, its exhibits, or the **Promissory Note**, **BORROWER** expressly agrees on the following:

- a) That **LENDER** shall be able to appoint the property that shall be seized or attached, without having to follow the order set by article 1395 of the Commercial Code and article 522 of the Civil Procedures Code for the State of Baja California, which benefits are herein waived by **BORROWER**;
- b) That **LENDER** or the depositary appointed by **LENDER**, shall take immediate possession of the mortgaged Property or the seized goods/property, without the need of securing and posting a bond;
- c) **BORROWER** herein waives the right to be named as depositary of the mortgaged Property or the seized goods/property. Likewise, **BORROWER** expressly obliges itself with **LENDER** that none of its current or future representatives or agents shall be able to act as depositaries of the mortgaged Property or of any seized goods/property; and
- d) That the depositary appointed by **LENDER** shall be entitled to cover with the proceeds of the mortgaged Property or any seized goods/property, the interests accrued under the **Advance**

Agreement, and the **Promissory Note** that are guaranteed with this instrument, without the need of a judicial authorization or any other authorization whatsoever.

SIXTH.- EVENTS OF DEFAULT.- LENDER shall have the right to request the auction of the mortgaged Property in any of the following events:

- a).- If **BORROWER** fails to comply with any of the Guaranteed Obligations or any of its obligations with **LENDER**; or
- b).- If **BORROWER** transfers, encumbers or grants the temporary use or enjoyment of the Property to third parties, without the prior written consent of the **LENDER**; or
- c).- If the property taxes or other fees on the Property are not paid when due; or
- d).- If for any reason whatsoever the first official copy of this public instrument is not recorded with the corresponding Public Registry of Property and Public Registry of Commerce within the fifteen (15) business days following its execution; or
- e).- If the Property is attached or if any judicial or administrative action filed against the **BORROWER** affects in any manner the Property; or
- f).- If the Property is insufficient to guarantee the fulfillment of the Guaranteed Obligations, with or without **BORROWER'S** fault, who waives the right granted by Article 2776 (two thousand seven hundred and seventy six) of the Civil Code for the State of Baja California and its corresponding Article 2909 (two thousand nine hundred and nine) of the Federal Civil Code, the contents and extent of which **BORROWER** hereby acknowledges to be aware of; or
- g).- For the breach or default by **BORROWER** to the terms and conditions of any of its obligations hereunder; or
- h).- If any of the events of default set forth in the **Advance Agreement** or in the applicable legislation occur.

SEVENTH.-TAXES, EXPENSES AND FEES.- The **BORROWER** shall be liable for all taxes, expenses, legal fees, notarial fees and registration fees arising out of the execution of this instrument and its recording with the Public Registry of Property and Public Registry of Commerce for the City of Mexicali, Baja California, Mexico.

Taxes, expenses and notarial fees caused by the cancellation of the guarantee created by means of this instrument shall also be paid by **BORROWER**.

In the event **LENDER** pays any amount, for any of the items referred to in the preceding paragraphs, **LENDER** may collect from **BORROWER** the amount paid, plus interest at the penalty interest rate agreed on the **Advance Agreement**, from the date payment is made until the corresponding amount is reimbursed to **LENDER**.

EIGHTH.- DOMICILE.- For any notices related to this instrument, the **BORROWER** designates the following domicile: Calzada Robledo Industrial #228, Colonia Colorado Dos, Mexicali, Baja California , México.

Said domicile shall not be deemed as modified until **BORROWER** undoubtedly notifies **LENDER** of a change in its domicile, with at least 10 (ten) working days in advance to the effective date in which the change of domicile will take place. No changes of domicile made by **BORROWER** will have legal effects when the new domiciles are located outside the City of Mexicali, Baja California, Mexico.

Until the above referred notice is not effected, any notice given to **BORROWER** in its previous domicile shall produce all legal effects.

NINTH.- STATEMENTS.- **BORROWER** represents and warrants that the statements made within the Recitals section of this instrument form an integral part of the unilateral mortgage herein created.

TENTH.- HEADINGS.- **BORROWER** represents and warrants that the headings appearing in each clause of this document are for reference only, thus, they should not be used for the interpretation or compliance of the obligations assumed hereunder.

AUTHORITY
[TO BE INSERTED BY NOTARY PUBLIC]

#####