

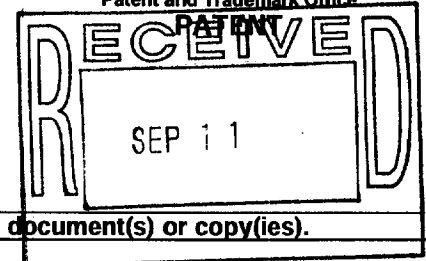
09-16-1998

U.S. Department of Commerce
Patent and Trademark Office



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**RECORDATION FORM COVER SHEET
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9-11-98

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Conveyance Type

☐ Assignment ☒ Security Agreement

☐ License ☐ Change of Name

☐ Merger ☐ Other

U.S. Government
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☐ Departmental File ☐ Secret File

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Correspondent Name and Address

Area Code and Telephone Number (312) 876-1700

Name JANET A. STIVEN

Address (line 1) ROOKS, PITTS AND POUST

Address (line 2) 10 S. WACKER DR.

Address (line 3) SUITE 2300

Address (line 4) CHICAGO, IL 60603

Pages

Enter the total number of pages of the attached conveyance document including any attachments.

#

Application Number(s) or Patent Number(s)☐ Mark if additional numbers attached

Enter either the Patent Application Number or the Patent Number (DO NOT ENTER BOTH numbers for the same property).

Patent Application Number(s)

09089154

09771062

Patent Number(s)If this document is being filed together with a new Patent Application, enter the date the patent application was signed by the first named executing inventor.

Month Day Year

Patent Cooperation Treaty (PCT)Enter PCT application number
only if a U.S. Application Number
has not been assigned.

PCT

PCT

PCT

PCT

PCT

PCT

Number of Properties

Enter the total number of properties involved.

#

2

Fee Amount

Fee Amount for Properties Listed (37 CFR 3.41): \$ 80.00

Method of Payment:

Deposit Account

Enclosed ☒Deposit Account ☐

(Enter for payment by deposit account or if additional fees can be charged to the account.)

Deposit Account Number:

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Authorization to charge additional fees:

Yes ☐No ☐**Statement and Signature**

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document. Charges to deposit account are authorized, as indicated herein.

JANET A. STIVEN

Name of Person Signing



Signature

9/10/98

Date

PATENT SECURITY AGREEMENT

This Patent Security Agreement ("Security Agreement") entered into by and between Summit Coating Technologies LLC, an Illinois limited liability company, ("Pledgor"), and LASALLE NATIONAL BANK, a national banking association (the "Bank"), in connection with the Guaranty (as hereinafter defined). Terms not otherwise defined herein shall have the meanings given in the Guaranty.

WHEREAS, the Bank intends to extend certain financial accommodations to Advance Dial Company (the "Borrower") pursuant to a certain Amended and Restated Loan and Security Agreement between the Bank and Borrower dated as of November 4, 1994, as amended through and including the date hereof, as it may be further amended from time to time (the "Loan Agreement"); and

WHEREAS, in connection with the extension of such financial accommodations pursuant to the Loan Agreement, the Bank has required the execution and delivery by Pledgor of a Corporate Guaranty dated as of even date herewith (the "Guaranty") and is desirous of acquiring a security interest in Pledgor's Patent Rights as defined below, subject to the terms and conditions set forth hereinbelow;

WHEREAS, the Pledgor represents that it now possesses the sole and complete ownership rights to the Patent Rights to be secured by this Security Agreement and that it has not granted a security interest or otherwise pledged, managed, transferred, assigned or licensed any part of its rights in said Patent Rights to any party other than the Bank.

NOW, THEREFORE, in order to induce the Bank to consummate the financial accommodations provided for in the Loan Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Pledgor does hereby agree with Bank as follows:

Section 1.01. Grant of Security Interest . Pledgor hereby grants a first priority security interest to Bank, as agent, its successors and assigns, in the entire right, title, and interest of Pledgor in and to the following "Patent Rights":

All patents, patent applications and patentable inventions of the Pledgor, including but not limited to those set forth in Exhibit 1, and (a) the inventions and improvements described and claimed therein; (b) any continuation, division, renewal, extension, substitute or reissue thereof or any legal equivalent in a foreign country for the full term or terms for which the same may be granted; (c) all rights to income, royalties, profits, awards, damages or other rights relating to said patents, applications or inventions including the right to sue for past, present or future infringement; and (d) any other rights and benefits relating to said patents, applications, or inventions ("Patents") subject to termination only if: (i) all "Guaranteed Obligations" (as defined in the Guaranty) of Pledgor are satisfied and paid as

and when due and (ii) there shall have been terminated all commitments of Bank to any party arising under the Loan Agreement; otherwise, the same shall remain in full force and effect, it being intended by Pledgor and Bank that the Patent Rights shall serve as collateral security to Bank for the payment and performance of such "Guaranteed Obligations" and, accordingly, that this instrument shall be subject to the terms of the Guaranty and the Loan Agreement and all related security agreements with respect to the "Collateral" (as defined in the Loan Agreement), which terms are herein incorporated by reference and made a part hereof.

Notwithstanding the foregoing, unless and until Bank exercises the rights and remedies accorded to it under the Guaranty Loan Agreement and by law with respect to the realization upon its security interest in the Patent Rights, Pledgor shall continue to own, and may use and enjoy, the Patent Rights in connection with its business operations, but only in a manner consistent with the preservation of their current substance, validity, registration and the collateral assignment herein contained.

Section 2.01. No Liens, etc. The Pledgor agrees that it will not, without the prior written consent of the Bank, assign or transfer, pledge, mortgage, license or allow a security interest or lien to be taken by anyone other than the Bank in said Patents or taken any other acts which are contrary to or inconsistent with the rights granted to the Bank in this Security Agreement and will not cease the use of any Patent or take any action or fail to take any action which will result in the cancellation or expiration of any of the Patents covered by this Security Agreement without the prior written agreement of the Bank.

Section 3.01. Pledgor's Obligation to Maintain and Enforce Rights. The Pledgor further agrees that it has the obligation, at its own cost, unless otherwise consented to in writing by the Bank:

(1) To take all actions necessary to properly maintain and renew all Patents which are or may become subject to the Security Agreement for the full term or terms allowed by law including but not limited to the appropriate and timely payment of any required fees and the appropriate and timely filing of any documents or declarations necessary to maintain and renew said Patents which may be necessary or appropriate under applicable law.

(2) To file new applications to register and protect under applicable law all patentable inventions acquired by the Pledgor for which applications have not previously been filed or to take all other actions necessary to cause Patents to be issued as a result of said applications.

(3) To protect such Patents from infringement, unfair competition or dilution or dilution or damage by all appropriate actions including the commencement of legal action to prevent and recover damages for said infringement and to defend such Patents from claims

of infringement, unfair competition or damage including the defense of any legal actions making such claims.

Section 4.01. Reporting Requirements. The Pledgor agrees to provide written semiannual reports to the Bank informing it of the status of all Patents subject to this Security Agreement including any new patents, patent applications, or related licenses.

Section 5.01. After Acquired Property. If the Pledgor shall obtain rights to or become entitled to the benefit of any new patents, patentable applications, patentable inventions, or licenses before its obligations to the Bank as set forth in this Security Agreement have been satisfied in full, the provisions of this Security Agreement shall automatically apply thereto and the Pledgor hereby authorizes the Bank to modify or update this Security Agreement accordingly.

Section 6.01. Events of Default. The failure by the Pledgor to perform any of the terms or conditions of this Security Agreement or the terms and conditions of the Guaranty shall constitute a material default. Upon the occurrence of such a default and upon the receipt by the Pledgor of appropriate written notice from the Bank, the Pledgor hereby authorizes and grants a power of attorney to the Bank to take any action as may be deemed to be necessary with respect to said Patents including but not limited to the assignment of all said patents from the Pledgor to the Bank. This right may be exercised in addition to any other rights and remedies which may be available under applicable law.

Section 7.01. Interpretation. This Security Agreement is subject to the terms and conditions of the Guaranty. Where any term in this Security Agreement may be inconsistent with any term in the Loan Agreement, the terms of the Guaranty shall control.

Section 8.01. No Waiver. The failure by the Bank to exercise any right under this Security Agreement shall not operate as a waiver thereof and shall not bar the Bank from continuing to exercise said rights in the future.

Section 9.01. Governing Law. The Security Agreement is to be governed by the law of the State of Illinois and is binding on the parties and their successors and assigns. The Pledgor may not assign nor transfer any part of its obligations under this Security Agreement either expressly or by operation of law without the written consent of the Bank.

Section 10.01. Severability. The terms of this Security Agreement are severable. If any term shall be found to be invalid or unenforceable, it shall not affect the validity of the remaining terms.

IN WITNESS WHEREOF, Pledgor has caused this document to be executed as of the 31st
day of August, 1998.

SUMMIT COATING TECHNOLOGIES LLC

By: 

Title: CEO

Address of Pledger (Assignor):

940 Industrial Drive
Elmhurst, Illinois 60126

Address of Bank (Assignee):

135 South LaSalle Street
Chicago, Illinois 60603
Attention: Sean Forrest

Exhibit 1

to

Patent Security Agreement

1. Adhesion promotion patent application filed with the U.S. Patent Office **June 2, 1998** under Serial # **09/089,154**
2. Substance for front mirror surface patent application filed with the U.S. Patent Office **December 20, 1996** under Serial # **09/771,062**

Exhibit 1

to

Patent Security Agreement

1. Adhesion promotion patent application filed with the U.S. Patent Office **June 2, 1998** under Serial # **09/089,154**
2. Substance for front mirror surface patent application filed with the U.S. Patent Office **December 20, 1996** under Serial # **09/771,062**

I hereby certify that this letter and enclosures are being deposited with the United States Postal Service "Express Mail Post Office to Addressee" service under 37 C.F.R. 1.10 on the 10th day of September, 1998 and is addressed to the Commissioner of Patents and Trademarks, Box Assignments, Washington, DC 20231.



Carol Abernethy