

MRD 4-2-99

Form PTO-1595  
(Rev. 6-93)

RECOR

04-13-1999

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



101007667

OMB No. 0661-0011 (exp. 4/94)

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

1. Name of conveying party(ies):

Bulk Molding Compounds, Inc.

Additional name(s) of conveying party(ies) attached?

Yes  No

3. Nature of conveyance:

- Assignment  Merger
- Security Agreement  Change of Name
- Other

Execution Date: November 1, 1998

2. Name and address of receiving party(ies):

Name: Old Kent Bank

Internal Address: Suite 400 Attention: Jennifer L. Batty

Street Address: 233 South Wacker Drive

City: Chicago State: IL Zip: 60606

Additional name(s) & address(es) attached:

Yes  No

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

If this document is being filed together with a new application, the execution date of the application is: \_\_\_\_\_

A. Patent Application No.(s)

B. Patent No.(s)

5,767,177

Additional numbers attached? Yes  No

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

Name: Elizabeth S. Perdue

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

6. Total number of applications and patents involved:

1

7. Total fee (37 CFR 3.41)..... \$ 40.00

Enclosed

Authorized to be charged to deposit account for any insufficient fees.

8. Deposit account number:

13-0045

(Attach duplicate copy of this page if paying by deposit account)

DO NOT USE THIS SPACE

9. Statement and signature.

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

Elizabeth S. Perdue

Name of Person Signing

Signature

January 22, 1999

Date

Total number of pages including cover sheet, attachments, and document: 10

PATENTS AND APPLICATIONS FOR PATENTS

Application No.	Title	Filing Date	Patent No.	Grant Date	Expiration
France 9305293	Injection Mouldable Thermosetting Composition Especially for Motor Vehicle Bodies, Method of Production and Method for Recycling	May 4, 1993	9305293	June 23, 1995	May 4, 2013
Europe* 94915198.9 (pub. no. 698060)	Same as above	May 2, 1994			
U.S. 537,824	Same as above	May 2, 1994	5,767,177	June 16, 1998	June 16, 2015
France 9712806	BMC Type Thermosetting Composition and Method for the Manufacture of the Composition	October 14, 1997			
PCT/FR98/02193	Same as above	October 13, 1998			
France 9712807	BMC Composite Material and Method For the Manufacture Of the Material	October 14, 1997			
PCT/FR98/02194	Same as above	October 13, 1998			

\* European Patent Application No. 94915188.9 designed the following states: Belgium (BE), Switzerland (CH), Germany (DE), Spain (ES), Great Britain (GB), Italy (IT), and The Netherlands (NL).

**PATENT LICENSES**

Pursuant to the License Agreement dated November 23, 1998 by and between Cytec Technology Corporation and Bulk Molding Compounds, Inc.:

1. French Patent Application No. 9712807, entitled "BMC Composite Material and Method for the Manufacture of the Material," filed October 14, 1997; and
2. PCT/FR98/02194, entitled "BMC Composite Material and Method for the Manufacture of the Material," filed October 13, 1998.

## PATENT SECURITY AGREEMENT

THIS PATENT SECURITY AGREEMENT (this "**Agreement**") is dated as of November 1, 1998 and is made by and between BULK MOLDING COMPOUNDS, INC., an Illinois corporation (the "**Borrower**"), in favor of and for the benefit of OLD KENT BANK, a Michigan banking corporation (the "**Bank**").

### RECITALS

WHEREAS, Borrower is the owner of all of the issued and outstanding stock of Bulk Molding Compounds, Inc., an Illinois corporation (the "**Borrower**"); and

WHEREAS, the Borrower and the Bank have entered into that certain Loan and Security Agreement of even date herewith (as hereafter amended, supplemented, restated or otherwise modified from time to time, the "**Credit Agreement**") pursuant to which the Bank has agreed to make Revolving Loans and certain Term Loans to the Borrower, subject in each case to the terms and conditions of the Credit Agreement; and

WHEREAS, to secure the repayment of (i) all amounts payable under the Credit Agreement and the Related Documents (as defined in the Credit Agreement) and (ii) all amounts payable under the Reimbursement Agreement and the Related Documents (as defined in the Reimbursement Agreement), the Bank has required that it be granted a valid security interest in and to all, among other things, now existing and hereafter arising patents and patent applications used in the business of the Borrower; and

WHEREAS, the Borrower owns the United States and foreign patents and patent applications listed on **Schedule A** annexed hereto, which patents and patent applications are for an inventions or innovations used by the Borrower in its business pursuant to a license granted by or other authorization of the Borrower, and, in addition, the Borrower may hereafter own other patents and patent applications used by the Borrower in its business.

### AGREEMENT

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and in order to induce the Bank to make Revolving Loans, the parties hereto agree as follows:

1. Definitions. Capitalized terms used in this Agreement but not otherwise defined herein shall have the meanings ascribed to such terms in the Credit Agreement.
2. Grant of Security Interest. To secure the payment and performance of

- (i) all indebtedness and other obligations and liabilities of the Borrower to the Bank of every kind and description, whether direct or indirect, absolute or contingent, primary or secondary, due or to become due, now existing or hereafter arising under or in connection with the Credit Agreement and the Related Documents (as defined in the Credit Agreement), and
- (ii) all indebtedness and other obligations and liabilities of Enterprises to the Bank of every kind and description, whether direct or indirect, absolute or contingent, primary or secondary, due or to become due, now existing or hereafter arising under or in connection with the Reimbursement Agreement and the Related Documents (as defined in the Reimbursement Agreement),

the Borrower hereby grants to the Bank a lien and security interest in all of Borrower's right, title and interest in, to and under the following (all of the following items or types of property being herein collectively referred to as the "**Patent Collateral**"), whether presently existing or hereafter created or acquired:

- (1) each patent and patent application, including, without limitation, each patent and patent application described in Schedule A annexed hereto, together with any reissues, continuations or extensions thereof;
- (2) each patent license, including, without limitation, each patent license described in Schedule A annexed hereto; and
- (3) all products and proceeds of the foregoing, including, without limitation, any claim by the against third parties for past, present or future infringement of any patent, including, without limitation, any patent referred to in Schedule A annexed hereto, any patent issued pursuant to a patent application referred to in Schedule A and any patent licensed under any patent license listed on Schedule A annexed hereto.

3. Representations and Warranties. The Borrower represents and warrants to and covenants with the Bank that:

(a) The Borrower is the present owner of the entire right, title and interest in and to the Patent Collateral described in Schedule A hereto and, to the best of its knowledge, Borrower has good and indefeasible title thereto.

(b) The Patent Collateral is free and clear of all security interests, liens and encumbrances, except Permitted Liens.

(c) The Borrower has not granted any licenses, rights or privileges in or to the Patent Collateral to any party except the Bank.

(d) To the best of the Borrower's knowledge, the Borrower may use the Patent Collateral free and clear of the infringement of the rights of others.

(e) The Borrower has not commenced and has not threatened to commence against any Person, and there is not pending, any suit or other proceeding seeking to enforce or alleging a violation of any of the Borrower's rights in the Patent Collateral.

(f) No Person has commenced or, to the best of the Borrower's knowledge, has threatened to commence any suit or other proceeding alleging that any of the Patent Collateral is unenforceable or violates any right or interest of such Person.

(g) The Patent Collateral on Schedule A constitute all of the United States patent and patent applications owned by the Borrower which are used in the business of the Borrower.

(h) The Borrower has not and will not make any agreement or assignment in conflict with this Agreement.

(i) To the best of the Borrower's knowledge, the patent applications set forth in Schedule A have been duly and properly filed and the patents to be issued pursuant thereto will be, upon issuance, valid and enforceable.

4. Maintenance and Enforcement of Patent Collateral. The Borrower agrees to provide the Bank with supplemental documentation necessary to record and perfect this Agreement with the relevant offices in the countries in which the Borrower has patents and patent applications as set forth in Schedule A. The Borrower shall not take any action, nor permit any action to be taken by others subject to the Borrower's control, including licensees, or fail to take any action regarding any matter of which the Borrower has knowledge, which would affect the validity and enforcement of any of the Patent Collateral, or impair the value of any of the Patent Collateral. Subject to the other provisions of this Agreement, the Borrower shall assume and continue, at its own cost and expense, through counsel of its own choice and acceptable to the Bank, full and complete responsibility for the prosecution, issuance, enforcement, maintenance, renewal or any other actions in connection with the Patent Collateral.

5. Notice of Proceedings. The Borrower promptly shall notify the Bank, in writing, of any suit, action or proceeding which relates to, is concerned with or affects any of the Patent Collateral or alleges infringement of another patent by any of the Patent Collateral, if in either case an adverse decision could reasonable be expected to have a material adverse effect on any of the Patent Collateral or on the Borrower's rights therein, and the Borrower shall, on written request of the Bank, deliver to the Bank a copy of all pleadings, papers, orders and decrees heretofore and hereafter filed in any such suit, action or proceeding, and shall keep the Bank fully advised in writing of the progress of any such suit or proceeding.

6. Issuance of Patent: New Applications. The Borrower shall promptly notify the Bank of (i) the filing of any new patent application by the Borrower with respect to an invention or innovation which is used by the Borrower in its business and (ii) the issuance of any patent pursuant to any previously filed application including, without limitation, the patent applications set forth in **Schedule A** hereto. Each of such new applications and each newly issued patent shall be subject to the terms and conditions of this Agreement and come within the term "Patent Collateral" as set forth herein. In addition, the Borrower shall provide the Bank, on request, such documents and instruments, each in a form acceptable to counsel for the Bank, as may be necessary to grant to the Bank, and to perfect, a valid enforceable security interest in such new applications and patents.

7. Documents Relating to Patent Collateral. Upon written request by the Bank, the Borrower shall deliver to the Bank copies of any patent applications and other documents concerned with or related to the adoption, use, prosecution, protection, maintenance, renewal, enforcement or issuance of any patent which is a part of the Patent Collateral.

8. Events of Default. The occurrence of any of the following shall constitute an Event of Default under this Agreement:

(a) if the Borrower fails to perform, keep or observe any term, provision, condition or covenant contained in this Agreement which the Borrower is required to be performed, kept or observed and such failure is not cured within 30 days after written notice thereof from the Bank to the Borrower;

(b) if any representation or warranty made by the Borrower herein is breached or is false or misleading in any material respect; or

(c) the occurrence of an "Event of Default" under the Credit Agreement; or

(d) the occurrence of an "Event of Default" under the Reimbursement Agreement.

9. Remedies. After the occurrence of and during the continuance of an Event of Default, the Bank shall have all of the rights, remedies and benefits of a secured party under applicable law, including without limitation, all of the rights, remedies and benefits of a secured party under the Uniform Commercial Code, whether or not the Uniform Commercial Code is applicable, and, in addition, the Bank may grant licenses, rights or other privileges in, or otherwise take whatever action with respect to, the Patent Collateral that the Bank deems necessary or appropriate under the circumstances. The Borrower hereby appoints and designates the Bank as its attorney to take, during the continuance of an Event of Default, in the name of either the Borrower or the Bank, such action as the Bank, in its sole discretion, deems necessary or appropriate under the circumstances to protect the Patent Collateral and the security interest of the Bank therein, but the Bank shall not be required to take any such action.

10. Fees and Expenses. The Borrower agrees to pay on demand any and all costs, charges, fees and other expenses incurred by the Bank in connection with this Agreement and the enforcement thereof including, without limitation, the fees and expenses of counsel employed by the Bank (i) with respect to the amendment or enforcement of this Agreement or with respect to the any of the Patent Collateral, (ii) to represent the Bank in any litigation, contest, dispute, suit or proceeding or to commence, defend or intervene or to take any other action in or with respect to any litigation, contest, dispute, suit or proceeding (whether instituted by the Bank, the Borrower or any other Person) in any way or respect relating to this Agreement or any of the Patent Collateral or (iii) to enforce any of the Bank's rights hereunder including, without limitation, any action to protect, collect, sell, liquidate or otherwise dispose of any of the Patent Collateral.

11. Governing Law; Jury Trial; Severability. This Agreement shall be a contract made under and governed by the laws of the State of Illinois, without regard to conflict of laws principles. Wherever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under such law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement. All obligations of the Borrower and rights of the Bank shall be in addition to and not in limitation of those provided by applicable law.

THE BORROWER HEREBY IRREVOCABLY WAIVES ANY RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING (I) TO ENFORCE OR DEFEND ANY RIGHTS UNDER OR IN CONNECTION WITH THIS AGREEMENT, OR (II) ARISING FROM ANY DISPUTE OR CONTROVERSY IN CONNECTION WITH OR RELATED TO THIS AGREEMENT, AND AGREES THAT ANY SUCH ACTION OR COUNTERCLAIM SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY. THE BORROWER IRREVOCABLY AGREES THAT, SUBJECT TO THE BANK'S SOLE AND ABSOLUTE ELECTION, ANY ACTION OR PROCEEDING IN ANY WAY, MANNER OR RESPECT ARISING OUT OF THIS AGREEMENT, OR ARISING FROM ANY DISPUTE OR CONTROVERSY ARISING IN CONNECTION WITH OR RELATED TO THIS AGREEMENT, SHALL BE LITIGATED ONLY IN THE COURTS HAVING SITUS WITHIN THE CITY OF CHICAGO, THE STATE OF ILLINOIS, AND THE BORROWER HEREBY CONSENTS AND SUBMITS TO THE JURISDICTION OF ANY LOCAL, STATE OR FEDERAL COURT LOCATED WITHIN SUCH CITY AND STATE. THE BORROWER HEREBY WAIVES ANY RIGHT IT MAY HAVE TO TRANSFER OR CHANGE THE VENUE OF ANY LITIGATION BROUGHT AGAINST THE BORROWER BY THE BANK IN ACCORDANCE WITH THIS SECTION.

12. Notices. All notices, requests and demands to or upon the parties shall be given by (i) certified mail; (ii) by hand delivery; or (iii) by courier service (including overnight delivery service such as Federal Express). Notices shall be deemed to have been given (a) in the case of notice by certified mail, five days after deposit thereof in the United States mails,



postage prepaid, return receipt requested, and (b) in all other cases, upon receipt of the notice. Copies of notices directed to a party which are required to be sent to other persons shall be deemed received by such other persons on the date on which the party receives such notice.

Notices to the Borrower shall be directed as follows:

Bulk Molding Compounds, Inc.  
1600 Powis Court  
West Chicago, Illinois 60185  
Attention: President

Notices in writing to the Bank shall be directed as follows:

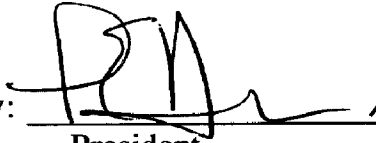
Old Kent Bank  
233 South Wacker Drive  
Suite 400  
Chicago, Illinois 60606  
Attention: Jennifer L. Batty

14. Release of Security Interest. Upon payment in full of all obligations of the Borrower arising under or in connection with the Credit Agreement and the termination of the Revolving Credit Commitment thereunder and payment in full of all obligations of Enterprises arising under or in connection with the Reimbursement Agreement and the cancellation of the letter of credit issued pursuant thereto, the Bank agrees to release and take such further action as may be necessary or advisable to evidence such release and termination of its security interest set forth herein.

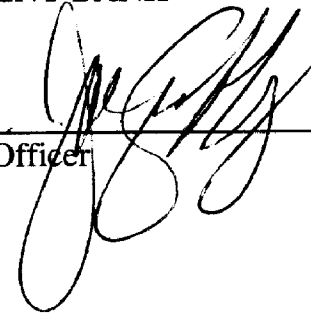
[BALANCE OF THIS PAGE IS BLANK]

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

BULK MOLDING COMPOUNDS, INC.

By:   
\_\_\_\_\_  
President.

OLD KENT BANK

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