

Re

11-09-1999



101197140

DOCUMENT ID NO.: 101110831

Hon. Commissioner of Patents
and Trademarks
Box Assignments
Washington, D.C. 20231

8.299

Please record the attached original documents or copy thereof.

1. Name and address of conveying party(ies):

Stanley W. Levine
8800 N. 65th Street
Paradise Valley, Arizona 85253

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

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

INTERNATIONAL COATING AND
CHEMICAL COMPANY, INC.
P. O. Box 39247
Solon, Ohio 44139-0247

Additional name(s) & address(es) attached?
 Yes No

3. Nature of conveyance:

Assignment Merger
 Security Agreement Change of Name
 Other _____

Execution Date: July 6, 1999

4. Application/Patent numbers:

A. Application No.(s)

B. Patent No.(s)
4,719,254

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

William C. Cahill
CAHILL, SUTTON & THOMAS P.L.C.
155 Park One
2141 E. Highland Avenue
Phoenix, Arizona 85016

(602)956-7000

Our Docket No: 4743-A-02

6. Total number of applications and patents involved:

one (1)

7. Total Recordation Fee (37 CFR 3.41) \$40.00

Enclosed
 Authorized to be charged to deposit account

8. Deposit account number for charging any deficiencies or crediting any overpayments:

03-0088

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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. In order to maintain the original date of filing of the Assignment Document, enclosed is the previously submitted Recordation Cover Sheet depicting the PTO stamp with the official date of receipt.

I hereby certify that on Nov 2, 1999 this paper or fee is being deposited with the United States Postal Service as first class mail in an Envelope addressed to: U.S. Patent and Trademark Office, Assignment Division, Box Assignments, CG-4, 1213 Jefferson Davis Highway, Suite 320. Washington, D.C. 20231

William C. Cahill
Name of Person Signing

[Signature]
Signature

Date: November 2, 1999

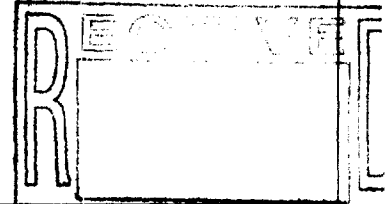
Total number of pages including cover sheet, attachments, and document: 7

08-04-1999

Hon. Commissioner of Patents
and Trademarks
Box Assignments
Washington, D.C. 20231



101710831



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Paradise Valley, Arizona 85253

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08/04/1999 NTWAI1 00000021 4719254

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40.00 DP

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.

William C. Cahill
Name of Person Signing

Signature

Date: July 29, 1999

Total number of pages including cover sheet, attachments, and document: 6

PATENT SECURITY AGREEMENT

THIS PATENT SECURITY AGREEMENT (the "Agreement") is made and entered into as of July 4th, 1999, by and between INTERNATIONAL COATING AND CHEMICAL COMPANY, INC. ("ICC/OHIO"), an Ohio corporation (the "Grantor"), STANLEY W. LEVINE, an individual resident of the State of Connecticut (the "Grantee") ~~and NEIL KOPPELMAN, an individual resident of the State of Ohio ("Koppelman").~~

WITNESSETH:

WHEREAS, ICC/OHIO owns Patent Number 4,719,254 dated January 12, 1988 and transferred from International Coating and Chemical Company, Inc. to Stanley W. Levine on September 9, 1996 at Reel 8119 Frame 0844 and recently transferred by Stanley W. Levine to ICC/OHIO and

WHEREAS, the Grantor and the Grantee are parties to a certain purchase agreement dated even herewith (the "Purchase Agreement"), and the terms and provisions of such Purchase Agreement are incorporated into this Agreement as if reproduced herein in full; and

WHEREAS, pursuant to the terms of the Purchase Agreement and a related non-negotiable promissory note dated even herewith (the "Note"), the Grantor is obligated to make certain payments to the Grantee; and

WHEREAS, the Grantee desires to have security for the Grantor's payment obligations under the Purchase Agreement and the Note; and

WHEREAS, the Purchase Agreement provides that the Grantor shall execute and deliver this Agreement; and

WHEREAS, after the closing of the transactions contemplated by the Purchase Agreement, the Grantor shall be the owner of said Patent; and

WHEREAS, the Grantor shall pledge to the Grantee, said Patent collectively referred to herein as the "Secured Patent";

NOW THEREFORE, in consideration of the matters set forth above and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

1. Grant. (a) In consideration of Grantee's execution of the Purchase Agreement and in order to secure Grantor's payment obligation under the Purchase Agreement and under the Note

(Collectively, the "Secured Obligation"), the Grantor hereby grants a security interest to the Grantee in the Patent.

(b) The Grantee hereby acknowledges and agrees that its rights and benefits under this Agreement are subordinated to those of National City Bank (the "Bank") and Ohio Mezzanine Fund, Ltd. (the "Fund"), including but not limited to as set forth in certain subordination agreements and other documents by and among the Bank, the Fund, the Grantor and/or the Grantee (as appropriate). Pursuant thereto, the Bank and the Fund (in that order) shall have a prior right of possession to the Patent.

2. Grantor Representations. The Grantor represents and warrants that except for the liens, restrictions and encumbrances of the Bank and/or the Fund: (a) the Grantor owns the Patent, free of any and all liens, pledges, encumbrances or security interests in favor of, or claims of, any other person except the lien created by this Agreement; (b) there are no restrictions on the transfer of the Patent; and (c) the Grantor has the right to transfer the Patent free of any encumbrances or restrictions.

3. Release of Lien. (a) Provided there is no Default (as defined herein) hereunder, pursuant to the release schedule below in Subsection 3(b) hereof, the Grantee's security interest in the Patent shall be released.

(b) The Note provides that the principal due thereunder is to be paid in one lump-sum on the Maturity Date (as defined in the Note), and thus, the Patent shall promptly be released to the Grantor promptly after such payments.

4. Event of Default. It shall be an event of default hereunder ("Default") if: (i) the Grantor materially breaches its obligations hereunder or its payment obligation to the Grantee with respect to the Secured Obligation; (ii) after the Grantor's receipt of written and detailed notice ("Default Notice") of such breaches; and (iii) after the Grantor has had a reasonable opportunity to cure such breaches, where such opportunity to cure shall not be less than thirty (30) days after Grantor's receipt of the Default Notice.

5. Remedies. In the event of a Default, Grantee shall have the rights and remedies provided in the Uniform Commercial Code in force in the State of Ohio against the Patent. In this connection, the Grantee shall have the right to have the Patent transferred to its own name or the name of its nominee upon providing the Grantor with notice of its intention to exercise said right, and the Grantee may sell the Patent in a commercially reasonable manner and for the price that the Grantee may determine in a commercially reasonable fashion. At any bona fide private or public sale of the Patent, the Grantee shall be free to purchase all or any part of the Patent. Out of the proceeds of any sale, the Grantee may retain an amount equal to the amounts then due the Grantee under the Purchase Agreement and the Secured Obligation plus the expenses of the sale, and shall pay any balance to the Grantor. If the proceeds of the sale are insufficient to satisfy the amounts then due the Grantee under the Purchase Agreement and the Secured Obligation plus expenses of the sale, the Grantor shall remain liable to the Grantee for any deficiency. No forbearance, failure or delay by the Grantee in the exercise of any right, power or remedy pursuant to this Agreement or by virtue of any

agreement, statute, ordinance or the common law shall be a waiver of such right, power or remedy; and any express waiver of any right, power or remedy shall not be a waiver of any other right, power or remedy.

6. Grantor's Affirmative and Negative Covenants. (a) Until such time as the indebtedness evidenced by the Note is paid in full, the Grantor shall: (i) furnish to the Grantee within one hundred twenty (120) days of the close of the Grantor's annual fiscal year, the annual financial statements of ICCC-Connecticut and/or the Grantor (as appropriate); (ii) if the Grantor in its sole discretion chooses not to keep the Patent (as such term is defined in the Purchase Agreement) in full force and effect with the United States Patent and Trademark Office, then the Grantor shall assign all of its rights, title and interest in the Patent to the Grantee (subject to the rights, liens, encumbrances, consent and approval of both the Bank and/or the Fund); (iii) promptly notify the Grantee of any change in the equity ownership of the Grantor; and (iv) materially perform the obligations of the Grantor to the Bank and the Funds.

(b) Until such time as the indebtedness evidenced by the Note is paid in full, the Grantor shall not: (i) assign or grant any interest in or to the Patent, directly or indirectly to any third party (specifically excluding therefrom the Bank, the Fund and/or any entity owned or controlled by the Grantor and/or Koppelman); (ii) declare any dividend upon any stock of the Grantor or grant any bonus, special or other accelerated payment to any officer, director or employee of the Grantor, together in excess of fifty thousand dollars (\$50,000.00) during any calendar year without prior advance notice to and approval of the Grantee, which approval shall not be unreasonably withheld; and/or (iii) terminate or cancel the agreement between the Grantor and Insl-X without thirty (30) days prior written notice to the Grantee (notwithstanding the foregoing, the Grantee's consent and/or approval to such termination or cancellation shall not be required).

7. Notices. All notices, requests, demands and other communications under or in connection with this Agreement shall be deemed to be made three (3) business days after mailing the same by certified or registered United States mail, return receipt requested (with a copy sent by ordinary first class U.S. mail) to the addresses set forth below:

If to Grantee: Stanley W. Levine
8800 North 65th Street
Paradise Valley, Arizona 85253

with a copy to: Robert A. Slavitt, Esq.
Slavitt, Connery & Vardamis
618 West Avenue
Norwalk, CT 06850

If to Grantor: International Coating and Chemical Company, Inc.
P.O. Box 39247
Solon, Ohio 44139-0247

with a copy to: Stephen L. Kadish, Esq.
Kadish, Hinkel & Weibel
1717 East Ninth Street, Suite 2112
Cleveland, Ohio 44114

If to Escrow Agent: Robert A. Slavitt, Esq.
Slavitt, Connery & Vardamis
618 West Avenue
Norwalk, CT 06850

8. Amendment or Modification. This Agreement may not be amended or modified except in writing, executed and signed by the parties.

9. Additional Documents. The Grantor stipulates that the Grantor will execute and deliver to the Grantee any and all additional documents that may be necessary to perfect the security interest given to the Grantee under this Agreement.

10. Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition of enforceability without invalidating the remaining portions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

11. Captions. The paragraph headings used in this Agreement are for convenience of reference only and shall not affect the construction hereof or be taken into consideration in the interpretation hereof.

12. Binding Effect. This Agreement shall be binding on and inure to the benefit of the parties and their representatives, heirs, successors and assigns.

13. Disputes, Controversies and Claims. Any and all disputes, controversies or claims arising out of or relating to this Agreement or the breach or validity of any term or provision of this Agreement, shall be resolved by final and binding arbitration. The arbitration shall be held in Cleveland, Ohio in accordance with the Commercial Arbitration Rules of the American Arbitration Association and shall be conducted pursuant to the terms and provisions set forth in Schedule 9 of the Purchase Agreement. Schedule 9 of the Purchase Agreement is incorporated into this Agreement as if reproduced herein in full.

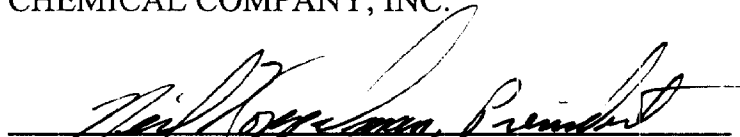
14. Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Ohio. For any claims, allegations, causes of action or legal proceedings not subject to the arbitration specified in Section 13 of this Agreement, the parties to this Agreement do each hereby agree that they shall submit themselves to the venue and jurisdiction of the competent courts of Cuyahoga County, Ohio, or the United States District Court for the Northern District of Ohio, Eastern Division, in connection with any and all claims, allegations, causes of action or legal proceedings related to or arising from this Agreement, expressly waiving their rights to any other jurisdiction or venue which might correspond to them due to their domiciles or legal residence.

15. Waiver. No waiver by Grantee of any default shall operate as a waiver of any other default or of the same default on a future occasion.

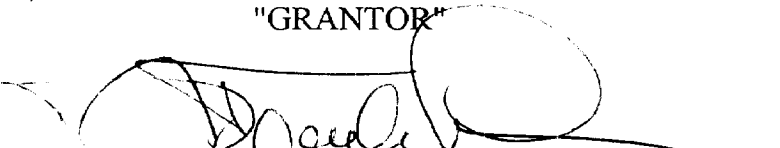
16. Counterparts. This Agreement may be executed in any number of counterparts, all of which taken together shall be deemed to be an original.

IN WITNESS WHEREOF, the parties have duly executed this Agreement on the date first written above.

INTERNATIONAL COATING AND
CHEMICAL COMPANY, INC.


BY: Neil Koppelman, President

"GRANTOR"


Stanley W. Levine

"GRANTEE"

~~Neil Koppelman, Individually~~

~~"KOPPELMAN"~~