

05-09-2001

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101710294

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☒ New

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☐ Correction of PTO Error

Reel #

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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

Conveying Party(ies)

☐ Mark if additional names of conveying parties attached

Name (line 1)

Dunn-Edwards Corporation

Execution Date
Month Day Year

04/19/2001

Name (line 2)

Second Party

Execution Date
Month Day Year

Name (line 1)

Name (line 2)

Receiving Party

☐ Mark if additional names of receiving parties attached

Name (line 1)

LaSalle Business Credit, Inc.

Name (line 2)

Address (line 1)

135 South LaSalle Street

Address (line 2)

Address (line 3)

Chicago

Illinois, USA

60603

☐ If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative is attached. (Designation must be a separate document from Assignment.)

Domestic Representative Name and Address

Enter for the first Receiving Party only.

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

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PATENT

REEL: 011763 FRAME: 0407

Correspondent Name and AddressArea Code and Telephone Number 213-485-1234Name Mary B. Ruhl, Esq.Address (line 1) Latham & WatkinsAddress (line 2) 633 West Fifth Street, Suite 4000Address (line 3) Los Angeles, CA 90071

Address (line 4)

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)**Patent Number(s)**

536572251634845268849508359152033875031781

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.

#

Fee AmountFee Amount for Properties Listed (37 CFR 3.41): \$ 240.00Method of Payment:
Deposit AccountEnclosed ☒Deposit Account ☐

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

Deposit Account Number:

#

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.

Deborah E. Taylor

Name of Person Signing

Deborah E. Taylor

Signature

4/27/01

Date

PATENT SECURITY AGREEMENT

THIS PATENT SECURITY AGREEMENT (the "Agreement") is dated as of April 4, 2001, but not effective until April 19, 2001, by Dunn-Edwards Corporation, a California corporation ("Grantor") in favor of LaSalle Business Credit, Inc., a Delaware corporation, in its capacity as Collateral Agent for the Lenders party to the Loan Agreement (defined below) ("Grantee"):

W I T N E S S E T H

WHEREAS, Grantor, Grantee, Heller Financial, Inc., as Administrative Agent for the Lenders, and Lenders are parties to a certain Loan and Security Agreement of even date herewith (as the same may be amended or otherwise modified from time to time, the "Loan Agreement"), providing for extensions of credit to be made to Grantor by Lenders; and

WHEREAS, pursuant to the terms of the Loan Agreement, Grantor has granted to Grantee, for the benefit of Lenders, a security interest in substantially all of the assets of Grantor including all right title and interest of Grantor in, to and under all now owned and hereafter acquired or arising (a) patents and patent applications and the inventions and improvements described and claimed therein, and patentable inventions; (b) the reissues, divisions, continuations, renewals, extensions and continuations-in-part of any of the foregoing; (c) all income, royalties, damages and payments now or hereafter due and/or payable under any of the foregoing or with respect to any of the foregoing, including, without limitation, damages and payments for past, present and future infringements of any of the foregoing; (d) the right to sue for past, present and future infringements of any of the foregoing; and (e) all rights corresponding to any of the foregoing throughout the world (collectively, "Patents") and all products and proceeds thereof, to secure the payment of all amounts owing by Grantor under the Loan Agreement;

NOW, THEREFORE, in consideration of the premises set forth herein and for other good and valuable consideration, receipt and sufficiency of which are hereby acknowledged, Grantor agrees as follows:

1. Incorporation of the Loan Agreement. The Loan Agreement and the terms and provisions thereof are hereby incorporated herein in their entirety by this reference thereto. All terms capitalized but not otherwise defined herein shall have the same meanings herein as in the Loan Agreement.

2. Grant and Reaffirmation of Grant of Security Interests. To secure the complete and timely payment and satisfaction of the Obligations, Grantor hereby grants to Grantee, for the benefit of Lenders, and hereby reaffirms its prior grant pursuant to the Loan Agreement of, a continuing security interest in Grantor's entire right, title and interest in and to the following (all of the following items or types of property being herein collectively referred to as the "Patent Collateral"), whether now owned or existing and hereafter acquired or arising:

- (i) each Patent and application for Patent listed on Schedule 1 annexed hereto, together with any reissues, continuations or extensions thereof;
- and

(ii) all products and proceeds of the foregoing, including, without limitation, any claim by Grantor against third parties for past, present or future infringement of any Patent.

3. Warranties and Representations. Grantor warrants and represents to Grantee that:

(i) No Patent has been adjudged invalid or unenforceable by a court of competent jurisdiction, in whole or in part, and each such Patent is presently subsisting;

(ii) Grantor is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each Patent, free and clear of any liens, charges and encumbrances, including without limitation licenses, shop rights and covenants by Grantor not to sue third persons;

(iii) Grantor has no written notice of any suits or actions commenced or threatened with reference to any Patent; and

(iv) Grantor has the unqualified right to execute and deliver this Agreement and perform its terms.

4. Restrictions on Future Agreements. Grantor agrees that until Grantor's Obligations shall have been satisfied in full and the Loan Agreement shall have been terminated, Grantor shall not, without the prior written consent of Grantee, sell or assign its interest in, or grant any license under, any Patent or enter into any other agreement with respect to any Patent, and Grantor further agrees that, except as provided in Section 6 below, Grantor shall not take any action or permit any action to be taken by others subject to its control, including licensees, or fail to take any action which would affect the validity or enforcement of the rights transferred to Grantee under this Agreement.

5. New Patents. If, before Grantor's Obligations shall have been satisfied in full or before the Loan Agreement has been terminated, Grantor shall (i) become aware of any existing Patents of which Grantor has not previously informed Grantee, (ii) obtain rights to any new patentable inventions or Patents, or (iii) become entitled to the benefit of any Patents, which benefit is not in existence on the date hereof, the provisions of this Agreement above shall automatically apply thereto and Grantor shall give to Grantee prompt written notice thereof. Grantor hereby authorizes Grantee to modify this Agreement by amending Schedule 1 to include any such Patents.

6. Duties of Grantor. Grantor shall (i) prosecute diligently any patent applications pending as of the date hereof or hereafter with respect to the Patents that are material to the operation of Grantor's business, as now or hereafter conducted, (ii) make application on unpatented but patentable inventions that are material to the operation of Grantor's business, as now or hereafter conducted, as reasonably deemed appropriate by Grantor, (iii) preserve and maintain all rights in the Patents that are material to the operation of Grantor's business, as now or hereafter conducted, and (iv) ensure that the Patents that are material to the operation of Grantor's business, as now or hereafter conducted, are and remain enforceable.

7. Grantee's Right to Sue. After an Event of Default, Grantee shall have the right, but shall in no way be obligated, to bring suit in its own name to enforce the Patents and, if

Grantee shall commence any such suit, Grantor shall, at the request of Grantee, do any and all lawful acts and execute any and all proper documents required by Grantee in aid of such enforcement and Grantor shall promptly, upon demand, reimburse and indemnify Grantee for all costs and expenses incurred by Grantee in the exercise of its rights under this Section 7.

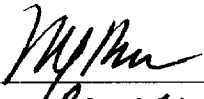
8. Cumulative Remedies; Power of Attorney. Grantee hereby acknowledges and affirms that the rights and remedies with respect to the Patents, whether established hereby or by the Loan Agreement, or by any other agreements or by law shall be cumulative and may be exercised singularly or concurrently. Grantor hereby authorizes Grantee upon the occurrence of an Event of Default, to make, constitute and appoint any officer or agent of Grantee as Grantee may select, in its sole discretion, as Grantor's true and lawful attorney-in-fact, with power to (i) endorse Grantor's name on all applications, documents, papers and instruments necessary or desirable for Grantee in the use of the Patents or (ii) take any other actions with respect to the Patents as Grantee deems to be in the best interest of Grantee, or (iii) grant or issue any exclusive or non-exclusive license under the Patents to anyone, or (iv) assign, pledge, convey or otherwise transfer title in or dispose of the Patents to anyone. Grantor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney shall be irrevocable until Grantor's Obligations shall have been paid in full and the Loan Agreement has been terminated. Grantor agrees that upon the occurrence of an Event of Default, the use by Grantee of all the Patents shall be without any liability for royalties or other related charges from Grantee to Grantor. Grantor hereby further acknowledges and agrees that the use by Grantee of all Patents shall be worldwide, except as limited by their terms, and without any liability for royalties or other related charges from Grantee to Grantor.

10. Survival of Representations. All representations and warranties of Grantor contained in this Agreement shall survive the execution and delivery of this Agreement and shall be remade on the date of each borrowing under the Loan Agreement.

11. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, Grantor has duly executed this Patent Security Agreement as of the date first written above.

DUNN-EDWARDS CORPORATION

By: 
Its: President

Agreed and Accepted
As of the Date First Written Above

LASALLE BUSINESS CREDIT, INC., as Collateral Agent

By: _____
Its: _____


IN WITNESS WHEREOF, Grantor has duly executed this Patent Security Agreement as of the date first written above.

DUNN-EDWARDS CORPORATION

By: _____
Its: _____

Agreed and Accepted
As of the Date First Written Above

LASALLE BUSINESS CREDIT, INC., as Collateral Agent

By:  _____
Its: Group Senior VP

STATE OF CALIFORNIA

COUNTY OF

Los Angeles

)
) SS
)

On the 4th day of April, 2001, before me, Donna Wolfe,
a notary public, personally appeared M.G. Rose,
personally known to me (or proved to me on the basis of satisfactory evidence) to be the
person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that
he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their
signature(s) on the instrument the person(s), or the entity upon which the person(s) acted,
executed this instrument.

WITNESS my hand and official seal.

Donna Wolfe
Notary Public
My commission expires: 5/28/03



STATE OF ~~CALIFORNIA~~ ILLINOIS)
) SS
COUNTY OF COOK)

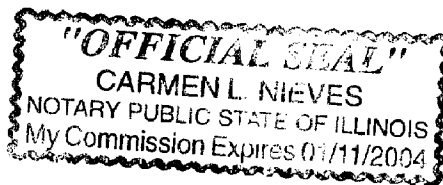
On the 3 day of April, 2001, before me, Rahn Carmen L. Nieves
a notary public, personally appeared Robert J. Corsetino,
personally known to me (or proved to me on the basis of satisfactory evidence) to be the
person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that
he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their
signature(s) on the instrument the person(s), or the entity upon which the person(s) acted,
executed this instrument.

WITNESS my hand and official seal.

Carmen L Nieves

Notary Public

My commission expires:



SCHEDULE 1

PATENTS

PATENTS

The Company owns certain patents which it does not maintain. It is unknown whether the Company currently has the right to use these patents. The patent numbers are 5365722, 5268849, 5203387, 5163484, 5083591, and 5031781