

12/18/01

12-27-2001



101926204 ONLY

Form PTO-1595  
(Rev. 03/01)  
OMB No. 0651-0027 (exp. 5/31/2002)

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

Tab settings ⇌ ⇌ ⇌ ▼ ▼ ▼ ▼ ▼ ▼ ▼

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

1. Name of conveying party(ies):  
Anchor Brake Shoe Company

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

2. Name and address of receiving party(ies)  
Name: LaSalle Bank National Association  
Internal Address: \_\_\_\_\_

3. Nature of conveyance:  
☐ Assignment ☐ Merger  
☒ Security Agreement ☐ Change of Name  
☐ Other \_\_\_\_\_

Execution Date: July 31, 2001

Street Address: 135 South LaSalle Street  
City: Chicago State: IL Zip: 60603  
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)  
None  
B. Patent No.(s)  
5,407,031 4,781,275  
Additional numbers attached? ☐ Yes ☒ No

5. Name and address of party to whom correspondence concerning document should be mailed:  
Name: Rebecca C. Ambriz  
Internal Address: Sonnenschein Nath  
& Rosenthal  
8000 Sears Tower  
Street Address: 233 South Wacker Drive  
City: Chicago State: IL Zip: 60606

6. Total number of applications and patents involved: 2  
7. Total fee (37 CFR 3.41).....\$ 80.00  
☒ Enclosed  
☐ Authorized to be charged to deposit account  
8. Deposit account number:  
(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.*  
Rebecca C. Ambriz Rebecca C. Ambriz 12/18/01  
Name of Person Signing Signature Date

Total number of pages including cover sheet, attachments, and documents: 12

12/27/2001 LMOELLER 00000050 5407031  
01 FC:581 80.00 OP

Mail documents to be recorded with required cover sheet information to:  
Commissioner of Patents & Trademarks, Box Assignments  
Washington, D.C. 20231

PATENT  
REEL: 012376 FRAME: 0632

## PATENT SECURITY AGREEMENT

THIS PATENT SECURITY AGREEMENT ("Agreement") made as of the 31<sup>st</sup> day of July, 2001, by and between ANCHOR BRAKE SHOE COMPANY, a Delaware corporation, with an office at 1920 Downs Drive, West Chicago, Illinois 60185 (the "Company"), and LaSalle Bank National Association (f/k/a LaSalle National Bank), with its principal office located at 135 South LaSalle Street, Chicago, Illinois 60603 ("Lender").

### WITNESSETH:

WHEREAS, Company has become party to that certain Subsidiary Guaranty dated as of August 31, 1998 (as amended, supplemented or otherwise modified from time to time, the "Guaranty"), pursuant to which the Company has irrevocably and unconditionally guaranteed the obligations of its parent company, Standard Car Truck Company, a Delaware corporation ("Standard Car") under that certain Loan and Security Agreement dated as of August 31, 1998 between Lender and Standard Car (as amended, supplemented or otherwise modified from time to time, the "Loan Agreement") (all such obligations, the "Guaranteed Obligations"); and

WHEREAS, Lender has required the Company to execute and deliver this Agreement in order to secure the prompt and complete payment, observance and performance of all of the Guaranteed Obligations;

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

1. Defined Terms.

(a) Unless otherwise defined herein, each capitalized term used herein that is defined in the Loan Agreement shall have the meaning specified for such term in the Loan Agreement.

(b) The words "hereof," "herein" and "hereunder" and words of like import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and section references are to this Agreement unless otherwise specified.

(c) All terms defined in this Agreement in the singular shall have comparable meanings when used in the plural, and vice versa, unless otherwise specified.

2. Incorporation of Premises. The premises set forth above are incorporated into this Agreement by this reference hereto and are made a part hereof.

3. Incorporation of the Loan Agreement. The Loan Agreement and the Guaranty and the terms and provisions thereof are hereby incorporated herein in their entirety by this reference thereto.

4. Security Interest in Patents. To secure the complete and timely payment, performance and satisfaction of all of the Guaranteed Obligations, the Company hereby grants to Lender, a security interest in, as and by way of a first mortgage and security interest having priority over all other security interests, other than Permitted Liens, with power of sale to the extent permitted by applicable law, all of the Company's:

(a) now owned or existing and hereafter acquired or arising patents and patent applications, and the inventions and improvements described and claimed therein, including, without limitation, those patents listed on Schedule A attached hereto and made a part hereof, and (i) the reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof, (ii) all income, royalties, damages and payments now and hereafter due and/or payable under and with respect thereto, including, without limitation, payments under all licenses entered into in connection therewith and damages and payments for past or future infringements thereof, (iii) the right to sue for past, present and future infringements thereof, and (iv) all of the Company's rights corresponding thereto throughout the world (all of the foregoing patents and applications, together with the items described in clauses (i)-(iv) in this paragraph 4(a) are sometimes hereinafter individually and/or collectively referred to as the "Patents"); and

(b) rights under or interest in any patent license agreements with any other party, whether the Company is a licensee or licensor under any such license agreement, including, without limitation, those patent license agreements listed on Schedule B attached hereto and made a part hereof, and the right to prepare for sale and sell any and all Inventory now or hereafter owned by the Company and now or hereafter covered by such licenses (all of the foregoing are hereinafter referred to collectively as the "Licenses").

5. Restrictions on Future Agreements. The Company will not, without Lender's prior written consent, enter into any agreement, including, without limitation, any license agreement, which is inconsistent with this Agreement, and the Company further agrees that it will not take any action, and will use its best efforts not to permit any action to be taken by others, including, without limitation, licensees, or fail to take any action, which would in any material respect affect the validity or enforcement of the rights transferred to Lender under this Agreement or the rights associated with those Patents or Licenses.

6. New Patents and Licenses. The Company represents and warrants as of the date hereof that (a) the Patents listed on Schedule A include all of the patents and patent applications now owned by the Company, (b) the Licenses listed on Schedule B include all of the patent license agreements now owned by the Company and (c) no other liens, claims or security interests have been granted by the Company to any other Person in such Patents and Licenses. If, prior to the termination of this Agreement, the Company shall (i) obtain rights to any new patentable inventions, (ii) become entitled to the benefit of any patent, patent application, license or any reissue, division, continuation, renewal, extension or continuation-in-part of any Patent or any improvement on any Patent or License, or (iii) enter into any new patent license agreement, the provisions of paragraph 4 above shall automatically apply thereto. The Company

shall give to Lender written notice of events described in clauses (i), (ii) and (iii) of the preceding sentence on a quarterly basis. The Company hereby authorizes Lender to modify this Agreement by amending Schedule A to include any future patents and patent applications, and by amending Schedule B to include any future patent license agreements, which are Patents or Licenses under paragraph 4 above or under this paragraph 6.

7. Royalties. The Company hereby agrees that the use by Lender of the Patents and the Licenses as authorized hereunder in connection with the exercise of its remedies under paragraph 16 shall be coextensive with the Company's rights thereunder and with respect thereto and without any liability for royalties or other related charges from Lender to the Company.

8. Right to Inspect; Further Assignments and Security Interests. The Lender may at all reasonable times (and at any time when an Event of Default exists) have access to, examine, audit, make copies (at the Company's expense) and extracts from and inspect the Company's premises and examine the Company's books, records and operations relating to the Patents and the Licenses, including, without limitation, the Company's quality control processes; provided, that in conducting such inspections and examinations, Lender shall use reasonable efforts not to disturb the conduct of the Company's ordinary business operations. From and after the occurrence of an Event of Default, the Company agrees that Lender, or a conservator appointed by Lender, shall have the right to establish such reasonable additional product quality controls as Lender or such conservator, in its sole and absolute judgment, may deem reasonably necessary to assure maintenance of the quality of products sold by the Company under the Patents and the Licenses. The Company agrees (a) not to sell or assign its interest in, or grant any license under, the Patents or the Licenses without the prior and express written consent of Lender which consent will not be unreasonably withheld, (b) to maintain the quality of said products in all material respects as of the date hereof, and (c) not to change the quality of such products in any material respect without Lender's prior and express written consent which consent will not be unreasonably withheld.

9. Termination of Lender's Security Interest. This Agreement is made for collateral security purposes only. Upon payment in full of all of the Guaranteed Obligations and termination of the Working Capital Commitment, this Agreement shall terminate and Lender shall promptly execute and deliver to the Company, at the Company's expense, all termination statements and other instruments as may be necessary or proper to terminate Lender's security interest in the Patents and the Licenses, subject to any disposition thereof which may have been made by Lender pursuant to this Agreement or the Loan Agreement or the Guaranty.

10. Duties of the Company. The Company shall have the duty, to the extent desirable in the normal conduct of the Company's business, to: (a) prosecute diligently any patent application that is part of the Patents pending as of the date hereof or thereafter until the termination of this Agreement, and (b) make application on unpatented but patentable inventions. The Company further agrees (i) not to abandon any Patent or License without the prior written consent of Lender and (ii) to use its best efforts to maintain in full force and effect the Patents and the Licenses that are or shall be necessary in the operation of the Company's business. Any expenses incurred in connection with the foregoing shall be borne by the Company.

11. Lender's Right to Sue. From and after the occurrence of an Event of Default, Lender shall have the right, but shall in no way be obligated, to bring suit in its own name to enforce the Patents and the Licenses and, if Lender shall commence any such suit, the Company shall, at the request of Lender, do any and all lawful acts and execute any and all proper documents required by Lender in aid of such enforcement. The Company shall, upon demand, promptly reimburse Lender for all costs and expenses incurred by Lender in the exercise of its rights under this paragraph 11 (including, without limitation, reasonable fees and expenses of attorneys and paralegals for Lender).

12. Waivers. Lender's failure, at any time or times hereafter, to require strict performance by the Company of any provision of this Agreement shall not waive, affect or diminish any right of Lender thereafter to demand strict compliance and performance therewith nor shall any course of dealing between the Company and Lender have such effect. No single or partial exercise of any right hereunder shall preclude any other or further exercise thereof or the exercise of any other right. None of the undertakings, agreements, warranties, covenants and representations of the Company contained in this Agreement shall be deemed to have been suspended or waived by Lender unless such suspension or waiver is in writing signed by an officer of Lender and directed to the Company specifying such suspension or waiver.

13. Lender's Exercise of Rights and Remedies Upon an Event of Default. Notwithstanding anything set forth herein to the contrary, it is hereby expressly agreed that upon the occurrence of an Event of Default, Lender may exercise any of the rights and remedies provided in this Agreement, the Loan Agreement and any Loan Document.

14. Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but the provisions of this Agreement are severable, and if any clause or provision shall be held invalid and unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part hereof, in such jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction, or any other clause or provision of this Agreement in any jurisdiction.

15. Modification. This Agreement cannot be altered, amended or modified in any way, except as specifically provided in paragraphs 4 and 6 hereof or by a writing signed by the parties hereto.

16. Cumulative Remedies; Power of Attorney. All of Lender's rights and remedies with respect to the Patents and the Licenses, whether established hereby, by any other agreements or by law, shall be cumulative and may be exercised singularly or concurrently. The Company hereby irrevocably designates, constitutes and appoints Lender (and all Persons designated by Lender in its sole and absolute discretion) as the Company's true and lawful attorney-in-fact, and authorizes Lender and any of Lender's designees, in the Company's or Lender's name, from and after the occurrence of an Event of Default, to (a) endorse the Company's name on all applications, documents, papers and instruments necessary or desirable for Lender in the use of the Patents or the Licenses, (b) assign, pledge, convey or otherwise transfer title in or dispose of the Patents or the Licenses to anyone on commercially reasonable terms, (c) grant or issue any exclusive or nonexclusive license under the Patents or, to the extent

permitted, under the Licenses, to anyone on commercially reasonable terms, and (d) take any other actions with respect to the Patents or the Licenses as Lender deems in its best interest. The Company hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney is coupled with an interest and shall be irrevocable until all of the Guaranteed Obligations shall have been paid in full and the Working Capital Commitment shall have been terminated. The Company acknowledges and agrees that this Agreement is not intended to limit or restrict in any way the rights and remedies

of Lender under the Loan Agreement or the Guaranty, but rather is intended to facilitate the exercise of such rights and remedies. Lender shall have, in addition to all other rights and remedies given it by the terms of this Agreement, all rights and remedies allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in any jurisdiction in which the Patents or the Licenses may be located or deemed located.

17. Successors and Assigns. This Agreement shall be binding upon the Company and its successors and assigns, and shall inure to the benefit of Lender and its successors and assigns. The Company's successors and assigns shall include, without limitation, a receiver, trustee or debtor-in-possession to the extent that any of the foregoing are considered to be a successor or assign of or for the Company; provided, however, that the Company shall not voluntarily assign or transfer its rights or obligations hereunder without Lender's prior written consent.

18. Governing Law. This Agreement shall be construed and enforced and the rights and duties of the parties shall be governed by in all respects in accordance with the internal laws (as opposed to conflicts of law provisions) and decisions of the State of Illinois.

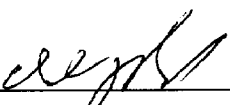
19. Notices. All notices or other communications hereunder shall be given in the manner and to the addresses set forth in the Guaranty.

20. Lender's Duty. Lender shall not have any duty with respect to the Patents or the Licenses. Without limiting the generality of the foregoing, Lender shall not be under any obligation to take any steps necessary to preserve rights in the Patents or the Licenses against any other parties, but may do so at its option, and all expenses incurred in connection therewith shall be for the sole account of the Company and added to the Guaranteed Obligations secured hereby.

21. Section Titles. The section titles herein are for convenience of reference only, and shall not affect in any way the interpretation of any of the provisions hereof.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the 31<sup>st</sup> day of July, 2001.

ANCHOR BRAKE SHOE COMPANY  
a Delaware corporation

By:   
Name: Margaret D. Sullivan  
Title: President

Accepted and agreed to as of the \_\_\_\_ day of  
July, 2001, by:

LASALLE BANK NATIONAL ASSOCIATION

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the 31<sup>st</sup> day of July, 2001.

ANCHOR BRAKE SHOE COMPANY  
a Delaware corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Accepted and agreed to as of the 17 day of  
July, 2001, by:

LASALLE BANK NATIONAL ASSOCIATION

By: Terri A. Maurer  
Name: TERRI A. MAURER  
Title: FIRST VICE PRESIDENT



STATE OF Illinois )  
 ) SS  
COUNTY OF Lake )

The foregoing Patent Security Agreement was executed and acknowledged before me this 18 day of July, 2001, by Donald Popernik, personally known to me to be the Treasurer of Anchor Brake Shoe Company, a Delaware corporation, on behalf of such corporation.

(SEAL)



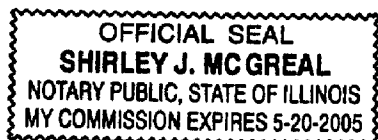
Michelle Baird  
Notary Public  
State of Illinois County, Lake

My commission expires: 10/2/01

STATE OF ILLINOIS )  
COUNTY OF COOK ) SS

The foregoing Patent Security Agreement was executed and acknowledged before me this 17 day of July, 2001, by Terri A Maurer, personally known to me to be the Vice President of LaSalle Bank National Association, a national banking association, on behalf of such association.

(SEAL)



Shirley J. McGreal  
Notary Public  
County, COOK  
My commission expires: 05.20.2005

Schedule A  
to  
Patent Security Agreement

Dated as of July 31, 2001

<u>Patent Description</u>	<u>Patent Number</u>
Railroad Brake Shoe	5,407,031
Composition Railway Brake Shoe	4,781,275

Schedule B  
to  
Patent Security Agreement

Dated as of July 31, 2001

Licenses

None