

## PATENT ASSIGNMENT

Electronic Version v1.1

Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	SECURITY AGREEMENT
CONVEYING PARTY DATA	
Name	Execution Date
Lion Copolymer, LLC	10/31/2005
RECEIVING PARTY DATA	
Name:	Bank of America, N.A.
Street Address:	300 Galleria Parkway, Suite 800
City:	Atlanta
State/Country:	GEORGIA
Postal Code:	30339
PROPERTY NUMBERS Total: 2	
Property Type	Number
Patent Number:	5763388
Patent Number:	5985953
CORRESPONDENCE DATA	
Fax Number:	(404)522-8409
<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>	
Phone:	(404) 420-5527
Email:	rbirdwell@phrd.com
Correspondent Name:	Rhonda J. Birdwell
Address Line 1:	285 Peachtree Center Avenue
Address Line 2:	1500 Marquis Two Tower
Address Line 4:	Atlanta, GEORGIA 30303
ATTORNEY DOCKET NUMBER:	2689-16
NAME OF SUBMITTER:	Mitchell M. Purvis
Total Attachments: 8 source=Patent - Lion#page1.tif source=Patent - Lion#page2.tif	

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**PATENT SECURITY AGREEMENT**

THIS AGREEMENT is made this 31st day of October, 2005, between **LION COPOLYMER, LLC**, a Delaware limited liability company having its principal place of business at 5955 Scenic Highway, Baton Rouge, Louisiana 70805 (the "Company"), and **BANK OF AMERICA, N.A.**, a national banking association having an office at 300 Galleria Parkway, Suite 800, Atlanta, Georgia 30339 (together with its successors and assigns "Lender").

**Recitals:**

The Company desires to obtain loans and other financial accommodations from Lender pursuant to that certain Loan and Security Agreement dated on or about the date hereof, between the Company and Lender (as at any time amended, restated, modified or supplemented, the "Loan Agreement").

Lender is willing to make loans and other financial accommodations to the Company from time to time pursuant to the terms of the Loan Agreement, provided that the Company executes this Agreement.

NOW, THEREFORE, for Ten Dollars (\$10.00) in hand paid and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company hereby agrees with Lender as follows:

1. Capitalized terms used herein (including those used in the Recitals hereto), unless otherwise defined, shall have the meanings ascribed to them in the Loan Agreement.

2. To secure the prompt payment and performance of the Obligations, the Company hereby grants, and pledges to Lender, a continuing security interest in and Lien upon all of the following property of the Company, whether now existing or hereafter created or acquired (the "Patent Collateral"):

(a) the entire right, title and interest of the Company in and to the patent applications and patents listed in Exhibit A attached hereto (as the same may be amended from time to time), and all re-issues, divisions, continuations, renewals, extensions and continuations-in-part thereof, including, without limitation, the right to sue for past, present and future infringements and rights corresponding thereto throughout the world (all of the foregoing being herein collectively referred to as the "Patents"); and

(b) All proceeds of the foregoing (such as, by way of example, license royalties and proceeds of infringement suits).

3. The Company covenants with and/or warrants to Lender that:

(a) To the Company's knowledge, the Patents are subsisting and have not been adjudged invalid or unenforceable, in whole or in part;

(b) The Company is now and shall continue to be the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each of the Patents, free and clear of any Liens other than Permitted Liens and non-exclusive licenses granted in the regular and ordinary course of the Company's business as presently conducted;

(c) To the extent it deems reasonably necessary, the Company has entered and will enter into written agreements with each of its present and future employees, agents and consultants which will enable it to comply with the covenants herein contained; and

(d) The Company will use for the duration of this Agreement, proper statutory notice in connection with its use of the Patents and has made, and will continue to make, all appropriate filings with the United States Patent and Trademark Office to maintain the Patents in existence, including, without limitation, filing all necessary documents with the United States Patent and Trademark Office for each Patent to maintain it without loss of protection therefor, unless with respect to a particular Patent, the Company shall reasonably determine that such Patent is in no way material to the conduct of the Company's business or its operations.

4. Until all of the Obligations have been satisfied in full and the Loan Agreement has been terminated, the Company shall not enter into any license agreement relating to any of the Patents with any Person except non-exclusive licenses to customers of the Company in the regular and ordinary course of the Company's business as presently conducted and for reasonable and customary compensation, and shall not become a party to any agreement with any Person that is inconsistent with the Company's obligations under this Agreement.

5. If, before the Obligations shall have been satisfied in full, the Company shall obtain rights to any new patentable inventions, or become entitled to the benefit of any patent application or patent for any reissue, division, continuation, renewal, extension or continuation-in-part of any Patent or any improvement on any Patent, the provisions of paragraph 2 shall automatically apply thereto and the Company shall give to Lender prompt notice thereof in writing.

6. The Company irrevocably authorizes and empowers Lender to modify this Agreement by amending Exhibit A to include any future patents and patent applications within the definition of Patents under paragraph 2 or paragraph 5 hereof.

7. At any time an Event of Default exists, Lender shall have, in addition to all other rights and remedies given it by this Agreement, all rights and remedies provided under the Loan Agreement.

8. The Company hereby makes, constitutes and appoints Lender, and any officer or agent of Lender as Lender may select, as the Company's true and lawful attorney-in-fact, with full power to do any or all of the following if an Event of Default shall occur and be continuing: to endorse the Company's name on all applications, documents, papers and instruments necessary for Lender to continue the maintenance of or to use the Patents, or to grant or issue any exclusive or nonexclusive license under the Patents to any other Person. This power of attorney,

being coupled with an interest, shall be irrevocable until all of the Obligations shall have been satisfied in full and the Loan Agreement shall have been terminated.

9. At such time as all of the Obligations shall have been satisfied finally and in full and the Loan Agreement shall have been terminated, Lender shall execute and deliver to the Company, without representation, warranty or recourse and at the Company's expense, all releases and other instruments necessary to terminate Lender's security interest in the Patent Collateral, subject to any disposition thereof which may have been made by Lender pursuant to the terms of this Agreement, or any of the other Loan Documents.

10. Any and all fees, costs and expenses, of whatever kind or nature, (including, without limitation, reasonable attorneys' fees and legal expenses) incurred by Lender in connection with the preparation of this Agreement and any other documents relating hereto and the consummation of this transaction, the filing or recording of any documents (including, without limitation, all taxes in connection therewith) with the United States Patent and Trademark Office or in other public offices, the payment or discharge of any taxes, counsel fees, maintenance fees or Liens, or otherwise, in protecting, maintaining and preserving any Patent Collateral or in defending or prosecuting any actions or proceedings arising out of or related to any Patent Collateral, shall be borne and paid by the Company in accordance with the terms of the Loan Agreement.

11. The Company shall use commercially reasonable efforts to detect any infringers of the Patents and shall notify Lender in writing of infringements detected. The Company shall have the duty, to prosecute diligently any patent application for a Patent pending as of the date of this Agreement or thereafter until the Obligations shall have been paid in full and the Loan Agreement terminated, to make application on unpatented but patentable inventions (subject to Company's reasonable discretion in Ordinary Course of Business, or, during the existence of an Event of Default, promptly upon Lender's request), to file and prosecute commercially reasonable opposition and cancellation proceedings, to file and prosecute lawsuits to protect the Patents and to do any and all acts necessary in order to preserve and maintain all rights in patent applications for the Patents unless with respect to a particular Patent, the Company shall reasonably determine that such Patent is in no way material to the conduct of the Company's business or its operations. Any expenses incurred in connection with such an application or proceedings shall be borne by the Company. The Company shall not abandon any pending patent application or patent, without the prior written consent of Lender unless with respect to a particular patent application or patent, the Company shall reasonably determine that such patent application or patent is in no way material to the conduct of the Company's business or its operations.

12. Notwithstanding anything to the contrary contained in paragraph 11 hereof, if an Event of Default shall occur and be continuing, Lender shall have the right, but shall in no way be obligated, to bring suit in its own name to enforce the Patents and any license hereunder, or to defend any suit or counterclaim in its own name to protect any Patents or license hereunder, in either of which events the Company shall at the request of Lender do any and all lawful acts (including bringing suit) and execute any and all proper documents required by Lender in aid of such enforcement or defense and the Company shall promptly, upon demand, reimburse and

indemnify Lender for all costs and expenses incurred by Lender in the exercise of its rights under this paragraph 12.

13. If the Company fails to comply with any of its obligations hereunder, then to the extent permitted by Applicable Law, Lender may do so in the Company's name or in Lender's name, in Lender's sole discretion, but at the Company's expense, and the Company agrees to reimburse Lender in full for all expenses, including, without limitation, reasonable attorneys' fees, incurred by Lender in prosecuting, defending or maintaining the Patents or Lender's interest therein pursuant to this Agreement.

14. No course of dealing between the Company and Lender, nor any failure to exercise, nor any delay in exercising, on the part of Lender, any right, power or privilege hereunder or under any of the other Loan Documents shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder or thereunder preclude any other or future exercise thereof or the exercise of any other right, power or privilege.

15. All of Lender's rights and remedies with respect to the Patent Collateral, whether established by this Agreement or any of the other Loan Documents, or by any other agreements or by Applicable Law, shall be cumulative and may be exercised singularly or concurrently.

16. 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, the same shall be deemed severed herefrom and shall not in any manner affect such clause or provisions in any other jurisdiction, or any other clause or provision of this Agreement in any jurisdiction.

17. This Agreement, together with the other Loan Documents, constitutes and expresses the entire understanding of the parties hereto with respect to the subject matter hereof, and supercedes all prior agreements and understandings, inducements or conditions, whether express or implied, oral or written. To the extent there are any conflicts in the terms of this Agreement and the Loan Agreement, the terms of the Loan Agreement shall prevail. This Agreement is subject to modification only by writing signed by the parties, except as provided in paragraph 6 hereof.

18. The benefits and burdens of this Agreement shall inure to the benefit of and be binding upon the successors and assigns of Lender and upon the successors and permitted assigns of the Company. The Company shall not assign its rights or delegate its rights or assign its duties hereunder without the prior written consent of Lender.

19. The Company hereby waives notice of Lender's acceptance hereof.

20. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Georgia.


21. To the fullest extent permitted by Applicable Law, the Company and Lender each waives the right to trial by jury in any action, suit, proceeding or counterclaim of any kind arising out of or related to this Agreement or the Patent Collateral.

[This space intentionally left blank; signatures commence on the following page]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement under seal on the day and year first written above.

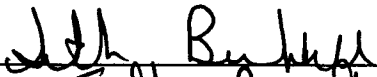
**LION COPOLYMER, LLC**

By: Lion Chemical II, Inc.,  
its Non-Member Manager

By:   
Name: Peter De Leeuw  
Title: Chairman of the Board

Accepted in Atlanta, Georgia:

**BANK OF AMERICA, N.A.**  
("Lender")

By:   
Name: Seth Benet-Held  
Title: Vice President

STATE OF Texas )  
COUNTY OF Harris )

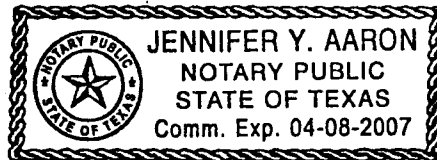
BEFORE ME, the undersigned authority, on this day personally appeared Peter De Leeuw, Chairman of the Board of Lion Chemical II, Inc., a Delaware corporation and the non-member manager of Lion Copolymer, LLC, a Delaware limited liability company, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated, and as the act and deed of said limited liability company.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this 31st day of October, 2005.

Jennifer Y. Aaron  
Notary Public  
My Commission Expires: 04-08-2007

[NOTARIAL SEAL]

STATE OF Texas )  
COUNTY OF Harris )

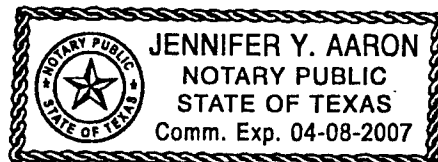


BEFORE ME, the undersigned authority, on this day personally appeared Seth Benefield of Bank of America, N.A., a national banking association, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated, and as the act and deed of said national banking association.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this 31<sup>st</sup> day of October, 2005.

Jennifer Y. Aaron  
Notary Public  
My Commission Expires: 04-08-2007

[NOTARIAL SEAL]





## EXHIBIT A

### Patents

<u>Patent</u>	<u>Status in Patent Office</u>	<u>Identifying Number</u>	<u>Issue or Application Date</u>
Process for making Silica masterbatch with modified silica	Granted	US 5,763,388	06/09/1998
Binder Composition (Argentina)	Pending	AR 970105973	
Binder Composition (Argentina)	Pending	AR 970105974	
Binder Composition (Brazil)	Allowed	BR 9706373-8	
Binder Composition (Czech)	Pending	CZ 406997	
Binder Composition (France)	Granted	FR 0849320	
Binder Composition (Germany)	Granted	DE 69711571.2	
Binder Composition (Great Britain)	Granted	GB 0849320	
Binder Composition (Indonesia)	Pending	IN 2826/MAS/97	
Binder Composition (Indonesia)	Pending	IN 2825/MAS/97	
Binder Composition (Italy)	Granted	IT 0849320	
Binder Composition (Japan)	Pending	JP 231381/98	
Binder Composition (Korea)	Pending	KR 68051/97	
Binder Composition (Mexico)	Pending	MX 9710082	11/12/1997
Binder Composition (Netherlands)	Granted	NL 0849320	
Binder Composition (Russia)	Pending	RU 97121106	
Binder Composition (South Africa)	Granted	ZA 11117/97	
Binder Composition (Sweden)	Granted	SE 0849320	
Binder Composition (Taiwan)	Pending	TW 86119092	
Binder Composition (Taiwan)	Pending	TW 86119105	
Binder Composition, Silane coupling reaction/composition to produce modified Silica for masterbatch (United States)	Granted	US 5,985,953	11/16/1999

Patent Applications

Patent Application	Federal Serial Number	Application Date
None.		