

Form PTO-1595 (Rev. 10/02) OMB No. 0651-0027 (exp. 6/30/2005)

RECORDATION FORM COVER SHEET PATENTS ONLY

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.

<p>1. Name of conveying party(ies):</p> <p style="text-align: center;">Reichhold, Inc.</p> <p>Additional name(s) of conveying party(ies) attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>3. Nature of conveyance:</p> <p><input type="checkbox"/> Assignment <input type="checkbox"/> Merger</p> <p><input checked="" type="checkbox"/> Security Agreement <input type="checkbox"/> Change of Name</p> <p><input type="checkbox"/> Other _____</p> <p>Execution Date: October 13, 2005</p>	<p>2. Name and address of receiving party(ies)</p> <p>Name: Bank of America, N.A., as Agent</p> <p>Internal Address: _____</p> <p>Street Address: 300 Galleria Parkway</p> <p style="padding-left: 40px;">Suite 800</p> <p>City: Atlanta State: GA Zip: 30339</p> <p>Additional name(s) & address(es) attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
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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: _____

<p>A. Patent Application No.(s) See attached</p> <p style="text-align: center;">Exhibit A</p>	<p>B. Patent No.(s) See attached</p> <p style="text-align: center;">Exhibit A</p>
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Additional numbers attached? Yes No

<p>5. Name and address of party to whom correspondence concerning document should be mailed:</p> <p>Name: Rhonda J. Birdwell, Paralegal</p> <p>Internal Address: Parker, Hudson, Rainer</p> <p style="text-align: center;">& Dobbs LLP</p> <p>Street Address: 1500 Marquis Two Tower</p> <p style="text-align: center;">285 Peachtree Center Avenue, N.E.</p> <p>City: Atlanta State: GA Zip: 30303</p>	<p>6. Total number of applications and patents involved: 61</p> <p>7. Total fee (37 CFR 3.41).....\$ 1,540.00</p> <p><input type="checkbox"/> Enclosed</p> <p><input checked="" type="checkbox"/> Authorized to be charged to deposit account</p> <p>8. Deposit account number:</p> <p style="text-align: center;">502831</p>
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DO NOT USE THIS SPACE

9. Signature.

C. Edward Dobbs, Esq.		October 19, 2005
Name of Person Signing	Signature	Date

2689-17 Total number of pages including cover sheet, attachments, and documents: **14**

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

CH \$2440.00 502831 11048173

EXHIBIT A**Patents**

Patent	Federal Registration Number	Registration Date
Moldable Resin Composition	5306773	4/26/1994
Moldable Resin Composition	5380799	1/10/1995
Method of Forming a Synthetic Surface Simulating Stone, Marble or the Like	5055324	10/8/1991
Method of Making Prepreg	5609806	3/11/1997
Reinforcing Structural Rebar and Method of Making the Same	5763042	6/9/1998
Method of Making Reinforcing Structural Rebar	5650109	7/22/1997
Apparatus for Forming Reinforcing Structural Rebar	5593536	1/14/1997
Apparatus for Forming Reinforcing Structural Rebar	5626700	5/6/1997
Shrink-controlled Resin Composition	5741448	4/21/1998
Hydroxylalkylation of Phenols	5679871	10/21/1997
Chemical Thickeners	6204342	3/20/2001
Process for Preparing Esterification Products	5714568	2/3/1998
Low Monomer Containing Laminating Resin Compositions	6468662	10/22/2002
Methods of Making Fiber-Reinforced Resin Molds	5213747	5/25/1993
Resins for Lining Surfaces	5925409	7/20/1999
Resins for Lining Surfaces	6692802	2/17/2004
Polyesters Prepared from Alkoxyated Intermediates	5998568	12/7/1999
Methods of Preparing Polyesters	5969056	10/19/1999
High Performance Polyetherester Containing Laminating Resin Compositions	6348270	2/19/2002
Baseball Bat	6776735	8/17/2004
Reactive Resins with Terminal and/or Pendant Vinyl Groups	5115072	5/19/1992
Improved Polyester Resin Molding Composition	5236976	8/17/1993
Non-Corrosive Reinforcing Member Having Bendable Flanges	5950393	9/14/1999
Non-Corrosive Reinforcing Member Having Bendable Flanges	5966895	10/19/1999

Patent	Federal Registration Number	Registration Date
Non-Corrosive Reinforcing Member Having Bendable Flanges	6023903	2/15/2000
Method for Producing A Synthetic Shaped Article Simulating Marble, Granite or the Like	5166230	24-Nov-92
Process for Making a Decorative Article	6403004	6/11/2002
Process for Making a Multi-layered Decorative Article	5904886	5/18/1999
Reinforcing Structural Rebar and Method of Making the Same	5702816	12/30/1997
Reinforcing Structural Rebar and Method of Making the Same	5851468	12/22/1998
Apparatus for Forming Reinforcing Structural Rebar	5876553	3/2/1999
Reinforced Composite Product and Apparatus and Method for Producing Same	6316074	11/13/2001
Reinforced Composite Product and Apparatus and Method for Producing Same	6221295	4/24/2001
Reinforced Composite Product and Apparatus and Method for Producing Same	6493914	12/17/2002
Reinforced Composite Product and Apparatus and Method for Producing Same	6485660	11/26/2002
Jet System Total Fluids Recovery System	5957665	9/28/1999
Toner Resin Compositions	5780195	7/14/1998
Low Gloss Powder Coating Composition	6093774	7/25/2000
Water Borne Polyurethane Copolymer	6239209	5/29/2001
Curable Polymeric Composition Employing Polyfunctional Urethane Acrylates	6485787	11/26/2002
Composition of Epoxy; Urethane Polyacrylate and Polyamine	6437059	8/20/2002
Urethane Acrylate Hybrid Polymer Dispersion	6635706	10/21/2003
Powder Coating Composition	6599992	7/29/2003
Hindered Amine Adducts for Polyurea Systems	6369189	4/9/2002
Burnish Resistant Matte Powder Coatings	6310139	10/30/2001
Burnish Resistant Powder Coating Composition	6472071	10/29/2002
Water Reducible Epoxy Resin Curing Agent	5204385	4/20/1993
Urethane Modified Waterborne Dispersions	5369152	11/29/1994
Acetoacetate Aromatic Aldimine Resin	5288804	2/22/1994

Patent	Federal Registration Number	Registration Date
Composition		
Narrow Molecular Weight Polyester Oligomers and Method of Preparation	4789706	12/6/1988

Patent Applications

Patent Application	Federal Application Number
Functionalized Thermosetting Resin Systems	11048173
Radiation Curable Polyurethane Dispersions	60691727
Powder Coated Polyester Composites	60653871
Hydrolytically Stable Polymer Dispersions and Methods of Making the Same	10328124
Polymer Dispersions and Methods of Making the Same	10743600
Crosslinkable Polymer Systems	10961862
Thermosetting Laminating Resin Composition	10946599
Rheology Modifying Agents and Methods of Using the Same	10952636
Hydrolytically Stable Polymer Dispersion	10743594
Low Volatile Organic Compound Stable Solvent-Based Polyurethane Compositions for Coatings	11125656
Impact Resistant, Low Shrinkage Reinforced Molding Compositions	11143204

PATENT SECURITY AGREEMENT

(REICHHOLD)

This **PATENT SECURITY AGREEMENT** (this "Agreement") is made this 13th day of October, 2005, between **BANK OF AMERICA, N.A.**, national banking association, having an office at 300 Galleria Parkway, Suite 800, Atlanta, Georgia, 30339, in its capacity as collateral and administrative agent for the Lenders (as hereinafter defined) (together with its successors in such capacity, "Agent"), and **REICHHOLD, INC.**, a Delaware corporation having its principal place of business at 2400 Ellis Road, Durham, North Carolina, 27703-5543 (the "Company").

Recitals:

The Company desires to obtain loans and other financial accommodations from certain financial institutions ("Lenders") as are parties from time to time to that certain Credit Agreement dated October 7, 2005, (as from time to time amended, restated, supplemented or otherwise modified, the "Credit Agreement") by and among the Company, Reichhold Limited and Reichhold UK Limited, Agent, Lenders, the other parties designated as agents thereunder and the other Credit Parties (as defined in the Credit Agreement).

Lenders are willing to make loans and other financial accommodations to the Company from time to time pursuant to the terms of the Credit 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 Agent 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 Credit Agreement.

2. To secure the prompt payment and performance of all of the Obligations (including, without limitation, all of the U.S. Obligations, Canadian Obligations and U.K. Obligations), the Company hereby grants, assigns and pledges to Agent, for the benefit of Secured Parties, 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 warrants to Agent that:

(a) 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;

(c) The Company has the unqualified right to enter into this Agreement and perform its terms; and

(d) The Company has used, and will continue to 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 and any applicable foreign filing offices to maintain the Patents in existence, including, without limitation, filing all necessary documents with the United States Patent and Trademark Office and any applicable foreign filing offices for each Patent to maintain it without loss of protection therefor, unless in any such case the Company has determined that such Patent is no longer material to the conduct of its business.

4. Until Full Payment of the Obligations, the Company shall not enter into any license agreement relating to any of the Patents with any Person except non-exclusive licenses to customers, vendors, suppliers, agents or other service providers of the Company in the regular and ordinary course of the Company's business as presently conducted and for reasonable and customary compensation, licenses to customers in geographic areas other than the United States, United Kingdom and Canada or as otherwise could not reasonably be expected to materially adversely effect the exercise by Agent of any of its rights or remedies with respect to the Patents, 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 Full Payment of the Obligations, 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 Agent prompt notice thereof in writing.

6. The Company irrevocably authorizes and empowers Agent 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. The Company hereby grants to Agent, and its employees and agents (and any Lender or Lenders and their respective employees and agents), the visitation, audit, and inspection rights with respect to Company and the Collateral as set forth in Section 10.1.1 of the Credit Agreement.

8. At any time that a Borrower Group Event of Default exists with respect to the Company, Agent shall have, in addition to all other rights and remedies given it by this

Agreement and the Credit Agreement, all rights and remedies under Applicable Law and all rights and remedies of a secured party under the UCC. Without limiting the generality of the foregoing, Agent may immediately, for the benefit of Secured Parties, without demand of performance and without other notice (except as described in the next sentence, if required by Applicable Law) or demand whatsoever to the Company, each of which the Company hereby expressly waives, and without advertisement (except as otherwise provided by Applicable Law), collect directly any payments due the Company in respect of the Patent Collateral, or sell at public or private sale or otherwise realize upon the whole or from time to time any of the Patent Collateral, or any interest which the Company may have therein. The Company hereby agrees that ten (10) days notice to the Company of any public or private sale or other disposition of any of the Patent Collateral shall be reasonable notice; provided, however, that no notice shall be required hereunder if not otherwise required by Applicable Law. At any such sale or disposition, Agent may, to the extent permitted by Applicable Law, purchase the whole or any part of the Patent Collateral sold, free from any right of redemption on the part of the Company, which right the Company hereby waives and releases. After deducting from the proceeds of such sale or other disposition of the Patent Collateral all reasonable costs and expenses incurred by Agent in enforcing its rights hereunder (including, without limitation, all reasonable attorneys' fees), Agent shall apply the remainder of such proceeds to the payment of the Obligations, in such order or manner as may be authorized or required by the Credit Agreement. Any remainder of the proceeds after Full Payment of the Obligations shall be paid over to the Company. If any deficiency shall arise, the Company and each Guarantor of the Obligations (to the extent of its Guaranty) shall remain jointly and severally liable therefor.

9. The Company hereby makes, constitutes and appoints Agent, and any officer or agent of Agent as Agent may select, as the Company's true and lawful attorney-in-fact, with full power to do any or all of the following if a Borrower Group Event of Default with respect to the Company shall exist: to endorse the Company's name on all applications, documents, papers and instruments necessary for Agent 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, or to assign, pledge, convey or otherwise transfer title in or dispose of any Patent Collateral to any other Person. The Company hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney, being coupled with an interest, shall be irrevocable until Full Payment of all of the Obligations.

10. Any and all reasonable fees, costs and expenses, of whatever kind or nature, (including, without limitation, reasonable attorneys' fees and legal expenses) incurred by Agent 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 (it being the intent of the Company and Agent that the Company shall be responsible for the payment of all sums, fees, costs and expenses, including, without limitation, all maintenance fees payable with respect to the Patents) or, if paid by Agent in its sole discretion, shall be reimbursed by the Company to Agent **on demand** by Agent and until so paid shall be added to the principal amount of the

Obligations and shall bear interest at the per annum interest rate then applicable for Base Rate Loans.

11. The Company shall use commercially reasonable efforts to detect any infringers of the Patents and shall notify the Agent in writing of material infringements detected. The Company shall have the duty through counsel reasonably acceptable to Agent, 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 Credit 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 Agent's request), to file and prosecute opposition and cancellation proceedings, to file and prosecute lawsuits to protect the Patents and to do any and all acts which are reasonably deemed necessary or desirable by Agent to preserve and maintain all rights in patent applications for the Patents, unless in any such case the Company has determined that such Patent is no longer material to the conduct of its business. Any reasonable 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 Agent, unless the Company has determined that such patent application or patent is no longer material to the conduct of its business.

12. Notwithstanding anything to the contrary contained in paragraph 2 hereof Agent shall have the right, at any time that a Borrower Group Event of Default exists with respect to the Company, 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 Agent do any and all lawful acts (including bringing suit) and execute any and all proper documents required by Agent in aid of such enforcement or defense and the Company shall promptly, upon demand, reimburse and indemnify Agent for all reasonable costs and expenses incurred by Agent in the exercise of its rights under this paragraph 12.

13. If the Company fails to comply with any of its obligations hereunder and at the time of such failure or as a result thereof a Borrower Group Event of Default exists with respect to Company, then to the extent permitted by Applicable Law, Agent may discharge such obligations in the Company's name or in Agent's name, in Agent's sole discretion, but at the Company's expense, and the Company agrees to reimburse Agent in full for all reasonable expenses, including, without limitation, reasonable attorneys' fees, incurred by Agent in prosecuting, defending or maintaining the Patents or Agent's interest therein pursuant to this Agreement.

14. No course of dealing between the Company and Agent, nor any failure to exercise, nor any delay in exercising, on the part of Agent, 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 Agent'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. 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 Agent 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 Agent.

19. The Company hereby waives notice of Agent'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 Agent 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.

[remainder of page intentionally left blank-signatures on following page]

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

ATTEST:

Daniel E. Uyesato
Daniel E. Uyesato, Secretary

[CORPORATE SEAL]

Nancy M. Anderson
Witness

REICHHOLD, INC.
("Company")

By: [Signature]
John S. Gaither, President

Accepted:

BANK OF AMERICA, N.A.,
as Agent

By: Douglas Cowan
Name: Douglas Cowan
Title: Vice President

