

12-16-1999



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MRD  
11/19/99

RECORDATION FORM COVER SHEET  
TRADEMARKS ONLY

TO: The Commissioner of Patents and Trademarks: Please record the attached original document(s) or copy(ies).

Submission Type

New

Resubmission (Non-Recordation)  
Document ID #

Correction of PTO Error  
Reel #  Frame #

Corrective Document  
Reel #  Frame #

Conveyance Type

Assignment  License

Security Agreement  Nunc Pro Tunc Assignment

Merger

Change of Name

Other

Effective Date  
Month Day Year

Conveying Party

Mark if additional names of conveying parties attached

Name  Execution Date  
Month Day Year

Formerly

Individual  General Partnership  Limited Partnership  Corporation  Association

Other

Citizenship/State of Incorporation/Organization

Receiving Party

Mark if additional names of receiving parties attached

Name

DBA/AKA/TA

Composed of

Address (line 1)

Address (line 2)

Address (line 3)     
City State/Country Zip Code

Individual  General Partnership  Limited Partnership  Corporation  Association

Other

Citizenship/State of Incorporation/Organization

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 should be attached. (Designation must be a separate document from Assignment.)

FOR OFFICE USE ONLY

12/15/1999 DNG:YEP 4000166 1300008

01 00:48 40.00 OP

02 00:48 25.00 OP

Public burden reporting for this collection of information is estimated to average approximately 30 minutes per Cover Sheet to be recorded, including time for reviewing the document and gathering the data needed to complete the Cover Sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Chief Information Officer, Washington, D.C. 20231 and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Paperwork Reduction Project (0651-0027), Washington, D.C. 20503. See OMB Information Collection Budget Package 0651-0027, Patent and Trademark Assignment Practice. DO NOT SEND REQUESTS TO RECORD ASSIGNMENT DOCUMENTS TO THIS ADDRESS.

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

REEL: 001999 FRAME: 0001

**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)

**Correspondent Name and Address**

Area Code and Telephone Number

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

**Pages**

Enter the total number of pages of the attached conveyance document including any attachments.

#

**Trademark Application Number(s) or Registration Number(s)**

Mark if additional numbers attached

Enter either the Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for the same property).

Trademark Application Number(s)

Registration Number(s)

<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>

<input type="text" value="1389688"/>	<input type="text"/>	<input type="text"/>
<input type="text" value="1389687"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>

**Number of Properties**

Enter the total number of properties involved.

#

**Fee Amount**

Fee Amount for Properties Listed (37 CFR 3.41):

\$

Method of Payment: Enclosed  Deposit Account

Deposit Account

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

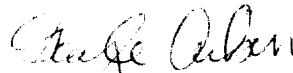
Deposit Account Number: #

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.

Gayle Aiken  
Name of Person Signing

  
Signature

11/29/99  
Date Signed

**INTELLECTUAL PROPERTY SECURITY  
AGREEMENT AND COLLATERAL ASSIGNMENT**

GMAC BUSINESS CREDIT, LLC, 300 Galleria Officentre, Suite 110, Southfield, Michigan 48034 ("Lender") Amercord, Inc., with a principal place of business in Lumber City, Georgia 31549 ("Borrower") enter into this Agreement on November 18, 1999.

Borrower has entered into a Loan and Security Agreement (the "Loan Agreement") with Lender under which Lender has agreed to make certain loans available to Borrower. Lender is willing to make such loans under the Loan Agreement upon the condition, among others, that Borrower execute and deliver this Agreement.

In consideration of the above and of the mutual covenants in this Agreement and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties agree as follows:

1. **Incorporation of Loan Agreement.** The Loan Agreement (and all agreements referred to or incorporated in the Loan Agreement) is incorporated into this Agreement by this reference. All capitalized terms not otherwise defined in this Agreement, shall have the meanings specified in the Loan Agreement.

2. **Collateral Assignment of Trademarks, Copyrights and Patents.** To secure the prompt payment and performance of all of Borrower's present and future indebtedness and Obligations to Lender (collectively, the "Debt") Borrower hereby grants to Lender a continuing security interest in, and, subject to Section 4 hereof, assigns, transfers and conveys, to Lender all right, title and interest, in the United States and throughout the world, in, to and under the following (all of which collectively are called the "Collateral") whether now existing or hereafter created or acquired:

(a) all United States and foreign trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, logos, other source or business identifiers, prints and labels on which any of the foregoing have appeared or appear, designs and general intangibles of like nature, trademark registrations and applications for registration, now owned or hereafter acquired by Borrower (including, without limitation, those listed on Schedule 1 attached hereto and made a part hereof) and all licenses thereof, together with the goodwill of the business connected with the use of, and symbolized by, the foregoing, and (a) the registration renewals thereof, (b) all income, royalties, damages and payments now and hereafter due 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, and (c) all rights corresponding thereto throughout the world, (all of the foregoing sometimes hereinafter individually or collectively referred to as the "Trademarks");

(b) all United States and foreign copyrights, registered or unregistered, in to all copyrightable works including all registrations and applications therefor and all licenses thereof and (a) any renewals or extensions of the registrations therefor that may be secured under the laws nor or hereafter in effect in the United States or any other country or countries, (b) all income, royalties, damages and payments now and hereafter due 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, and (c) all rights corresponding thereto throughout the world (sometimes individually or collectively referred to as the "Copyrights");

(c) all United States and foreign patents and patent applications, now owned or hereafter acquired by Borrower, including, without limitation, the inventions and improvements described and claimed therein, and those patents and patent applications listed on Schedule 1 attached hereto and made a part hereof, all licenses thereof and (a) the reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof, (b) all income, royalties, damages and payments now and hereafter due 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, and (c) all rights corresponding thereto throughout the world (all of the foregoing being sometimes hereinafter individually or collectively referred to as the "Patents"); and

(d) all other intellectual property rights, now owned or hereafter acquired by Borrower, including, without limitation, the intellectual property listed on Schedule 1, including, without limitation, trade secrets, know-how and confidential business information, computer software, computer programs, source code, data and documentation (including electronic media) and licenses thereof, and (a) all income, royalties, damages and payments now and hereafter due 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, and (b) all rights corresponding thereto throughout the world (collectively referred to as "Intellectual Property Rights").

3. **Continuing Liability.** Borrower expressly agrees that, notwithstanding anything to the contrary in this Agreement, Borrower will remain liable under each license, interest and obligation assigned to Lender under this Agreement to observe and perform all the conditions and obligations to be observed and performed by Borrower thereunder, all in accordance with and pursuant to the terms and provisions applicable to Borrower. Borrower will retain the right to sue and recover for past, present and future infringements thereof. Lender will have no obligation or liability under any such license, interest or obligation by reason of or arising out of this Agreement or the assignment thereof to Lender or the receipt by Lender of any payment relating to any such license, interest or obligation pursuant hereto; nor will Lender be required or obligated in any manner to perform or fulfill any of the obligations of Borrower thereunder or pursuant thereto, or to make any payment, or to make any inquiry as to the nature or the sufficiency of any payment received by

Lender or the sufficiency of any performance by any party under any such license, interest or obligation, or to present or file any claim, or to take any action to collect or enforce any performance of the payment of any amounts which may have been assigned to Lender or to which Lender may be entitled at any time or times.

4. **Effect of Collateral Assignment and Remedies.** Borrower agrees that upon the occurrence of an Event of Default (after any applicable grace or cure periods) under the Loan Agreement, and to the extent permitted by applicable law or any agreements relating to the Collateral, Lender, without demand of performance or other demand, advertisement or notice of any kind (except the notice specified below of time and place of public or private sale) to or upon Borrower or any other person (all and each of which demands, advertisements or notices are hereby expressly waived), may forthwith collect, receive, appropriate and realize upon the Collateral, or any part thereof, or may forthwith sell, lease, assign, give option or options to purchase, or sell or otherwise dispose of and deliver said Collateral (or contract to do so), or any part thereof, in one or more public or private sale or sales, at any exchange, broker's board or any of Lender's offices or elsewhere at such prices as it may deem best, for cash or on credit or for future delivery without assumption of any credit risk. Lender will apply the net proceeds (after expenses) of any such sale, lease, assignment or other disposition against the Obligations in such order as Lender in its sole discretion determines. Borrower will remain liable for any deficiency therein. Lender will have the right upon any such public sale or sales, and, to the extent permitted by law, upon any such private sale or sales, to purchase the whole or any part of the Collateral so sold, free of any right or equity of redemption in Borrower, which right or equity is hereby expressly waived and released. To the extent permitted by applicable law, Borrower waives all the claims, damages and demand against Lender arising out of the repossession, retention or sale of the Collateral. Borrower agrees that Lender need not give more than 21 days' notice of the time and place of any public sale or of the time after which a private sale may take place and that such notice is reasonable notification of such matter.

5. **Refiling.** If, before the Debt is paid in full, Borrower obtains any rights in or to any new or additional Intellectual Property Rights, the provisions of this Agreement shall apply thereto and Lender is hereby authorized to amend Schedule 1 and re-file this Agreement as appropriate.

6. **Power of Attorney.** Borrower hereby authorizes Lender to make, constitute and appoint any officer or agent of Lender as Lender may select, in Lender's sole discretion, as Borrower's true and lawful attorney-in-fact, with power (i) to endorse Borrower's name on all applications, documents, papers and instruments necessary or desirable for Lender in the perfection of a security interest in the Collateral, (ii) from and after the occurrence of any Event of Default (after any applicable grace or cure periods) in accordance with this Agreement and applicable law, to assign, pledge, convey or otherwise transfer title in or dispose of the Collateral to anyone. Borrower hereby ratifies all that such attorney will lawfully do or cause to be done by virtue of this Assignment. This power of attorney will be irrevocable until all of the Debt has been paid in full and all of the financing

arrangements between Borrower and Lender have been terminated and Lender has no further obligation to make loans to Borrower.

7. **Specific Performance; Injunctive Relief.** Borrower agrees that, in addition to all other rights and remedies granted to Lender in this Agreement, the Loan Agreement and any other collateral security document, Lender shall be entitled to specific performance and injunctive and other equitable relief, and Borrower further agrees to waive any requirement for the securing or posting of any bond or other security in connection with the obtaining of any such specific performance and injunctive or other equitable relief.

8. **Grant of License to Use Intangibles.** In addition to and for the purpose of enabling the Lender to exercise rights and remedies under Sections 4 and 5 hereof, Borrower will permit Lender reasonable access to all media in which any of the Collateral may be recorded or stored and to all computer programs used for the compilation or printout thereof. In addition, upon an Event of Default (after any applicable grace or cure periods), Lender, and its assigns, shall have a non-exclusive license throughout the world in all Trademarks, Patents, Copyrights and Intellectual Property Rights for the manufacture, sale and distribution of inventory or other goods of Borrower and for the sale and use of any assets of Borrower in which Lender has a security interest (whether now or in the future.)

9. **Representation and Warranties.** Borrower represents and warrants that Schedule 1 contains a complete and correct list of all the trademark registrations and trademark applications, copyright registrations and copyright applications and patents and patent applications, respectively, if any, (i) owned by the company or (ii) licensed to or by Borrower (together with the terms of such licenses). Borrower additionally represents and warrants to the best of its knowledge that except as set forth in Schedule 1, there is no currently pending patent application on which any agent or employee of Borrower is listed as an inventor. Except as set forth in Schedule 1, Borrower owns, free and clear of all liens, all right, title and interest in, or has full right and authority to use, all Collateral necessary or desirable for the conduct of its business as currently conducted, as previously conducted or as currently proposed to be conducted. Except as set forth in Schedule 1, no claim by any other person or entity ("Person") contesting the validity or ownership of any Collateral has been made, is currently outstanding or is threatened and neither Borrower nor any executive thereof has received any notice of, or is aware of any fact which would indicate a likelihood of, any infringement or misappropriation upon, or conflict with, any other Person's intellectual property. Except as set forth in the Schedule 1, none of the Collateral infringes or misappropriates upon, or conflicts with, any intellectual property of any Person, and no infringement, misappropriation or conflict will occur as a result of the continued operation of the business as now conducted or as currently proposed to be conducted. The transactions contemplated by this Agreement will have no adverse effect on any of Borrower's rights in and to the Collateral. Borrower has taken all action necessary or desirable to protect the Collateral and will continue to take such action prior to Closing so as not to adversely affect the validity or enforcement of the Collateral, except as set forth in Schedule 1. Borrower further agrees that it will at its expense, at Lender's request, defend Lender's and Borrower's respective interests in the Collateral from any and all claims and demands of any other person and that it will not grant, create or permit to exist any lien upon or security

interest in the Collateral in favor of any other person except liens permitted by the Loan Agreement; provided, however, that prior to the occurrence of an Event of Default and until the expiration of any applicable grace or cure period, nothing contained in this Agreement will affect Borrower's right to grant non-exclusive licenses to third parties to use any portion of the Collateral.

10. **Restrictions on Future Agreements.** Borrower agrees that until all of the Obligations have been satisfied in full, the Loan Agreement has been terminated and Lender has no further obligation to make loans to Borrower, Borrower will not, without Lender's prior written consent, enter into any agreement, including, without limitation, any license agreement, which is materially inconsistent with Borrower's obligations under this Agreement. Borrower further agrees that it will 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 materially affect the validity or enforcement of any of the rights transferred to Lender under this Agreement.

11. **Covenants Regarding Collateral.**

(a) Except as to Collateral which Borrower in its judgment determines to be in its best interests to abandon or not to enforce or protect, Borrower (either itself or through licensees) shall (i) continue to use each Trademark on each and every trademark class of goods applicable to its current line as reflected in its current catalogs, brochures and price lists in order to maintain each Trademark in full force free from any claim of abandonment for non-use, (ii) employ each Trademark, Copyright and Patent with the appropriate notice of application or registration on applicable products or services, (iii) not (and not permit any licensee or sublicensee thereof to) do any act or knowingly omit to do any act whereby any Patent may become invalidated or unenforceable, any Trademark right may become abandoned or unenforceable, any Copyright right may become unenforceable, or any Intellectual Property Right may become unenforceable, (iv) prosecute diligently any trademark application, copyright application or any patent application which is pending as of the date of this Agreement or thereafter, until the Obligations shall have been paid in full, and (v) preserve and maintain all rights in and to the Collateral.

(b) Except as set forth in Schedule 1, Borrower must provide reasonably prompt notice to Lender if Borrower knows, or has reason to know, that any application or registration relating to any of the Collateral may become abandoned or dedicated, or of any adverse determination or development (including, without limitation, the institution of, or any such determination or development in, any proceeding in the United States Patent and Trademark Office, the United States Copyright Office or any court) regarding Borrower's ownership of any of the Collateral, its right to register the same, or to keep and maintain the same, except for such abandonment, determination or dedication which is permitted under subparagraph (a) above.

(c) Borrower will take all necessary steps, including, without limitation, in any proceeding before the United States Patent and Trademark Office, the United States Copyright Office or any similar office or agency in any other country or any political subdivision thereof, to maintain and pursue each application (and to obtain the relevant registration) and to maintain each registration of the Collateral, including, without limitation, filing of applications for renewal, affidavits of use, affidavits of incontestability and opposition, interference and cancellation proceedings (except to the extent that dedication, abandonment or invalidation is permitted under subparagraphs (a) and (b) above) or as set forth in Schedule 1.

(d) In the event that any of the Collateral is infringed, misappropriated or diluted by a third party, Borrower will provide reasonably prompt notice to Lender and take such action as Borrower shall reasonably deem appropriate under the circumstances, including, without limitation, suit for infringement, misappropriation or dilution and recovery of any and all damages for such infringement, misappropriation or dilution to protect such Collateral.

(e) At its option, Lender may discharge taxes, liens or security interests or other encumbrances at any time levied or placed on the Collateral, may place and pay for insurance on the Collateral upon failure by Borrower to provide insurance satisfactory to Lender. Borrower agrees to reimburse Lender on demand for any payment reasonably made for any expense incurred by Lender pursuant to the foregoing authorization. Subject to Lender's rights under the [License Agreement], until an Event of Default occurs and after expiration of any applicable grace or cure period and an acceleration of the loans, Borrower may have possession of the Collateral and use it in any lawful manner not inconsistent with this Agreement.

12. **Notice.** All notices or other communications hereunder shall be given in the manner and to the addresses provided in the Loan Agreement.

13. **Severability.** Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall not invalidate the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

14. **No Waiver; Cumulative Remedies.** Lender shall not by any act, delay, omission or otherwise be deemed to have waived any of its rights or remedies hereunder, and no waiver shall be valid unless in writing, signed by Lender, and then only to the extent therein set forth. A waiver by Lender of any right or remedy hereunder on any one occasion shall not be construed as a bar to any right or remedy which Lender would otherwise have had on any future occasion. No failure to exercise nor any delay in exercising on the part of Lender any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other right, power or privilege. The rights and remedies hereunder provided are cumulative and may be exercised singly or concurrently, and are not exclusive of any rights and remedies



provided by law or in the [License Agreement] or any other agreements between the parties.

15. **Waivers; Amendments.** None of the terms and provisions of this Agreement may be waived, altered, modified or amended except in writing by an instrument executed by the parties hereto.

16. **Limitations by Law.** All rights, remedies and powers provided in this Agreement may be exercised only to the extent that the exercise thereof does not violate any applicable provision of law which may be controlling and are limited to the extent necessary so that they will not render this Agreement invalid, unenforceable, in whole or in part, or not entitled to be recorded, registered or filed under the provisions of any applicable law.

17. **Successors and Assigns; Third Party Beneficiaries; Counterparts.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, and nothing herein or in the Loan Agreement or any other collateral security document is intended or shall be construed to give any other person any right, remedy or claim under, to or in respect of this Agreement, the Loan Agreements or any other collateral security document. This Agreement may be signed in separate counterparts.

18. **Termination and Reassignment.** Lender agrees that upon the termination or expiration of the Loan Agreement and termination of any obligations of Lender to make loans to Borrower and the payment and performance in full of all the Obligations, Lender will promptly execute documents releasing the security interests created hereby and reassign Lender's interest in the collateral to Borrower, without warranty, representation or guaranty of any nature or kind.

19. **Applicable Law.** This Agreement shall be governed by, and be construed and interpreted in accordance with the internal laws of the State of Michigan without regard to the laws of conflict.

20. **Entire Agreement.** This Agreement constitutes the entire understanding of the parties relating to the subject matter of this Agreement, and may be amended or modified only in a writing signed by all parties.

21. **Waiver Of Jury Trial.** LENDER AND BORROWER, AFTER CONSULTING OR HAVING HAD THE OPPORTUNITY TO CONSULT WITH COUNSEL, KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE ANY RIGHT EITHER OF THEM MAY HAVE TO A TRIAL BY JURY IN ANY LITIGATION BASED UPON OR ARISING OUT OF THIS AGREEMENT OR ANY RELATED INSTRUMENT OR AGREEMENT, OR ANY OF THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT, OR ANY COURSE OF CONDUCT, DEALING, STATEMENTS (WHETHER ORAL OR WRITTEN), OR ACTIONS OF EITHER OF THEM. NEITHER LENDER NOR BORROWER SHALL SEEK TO CONSOLIDATE, BY COUNTERCLAIM OR OTHERWISE, ANY ACTION IN WHICH A

JURY TRIAL HAS BEEN WAIVED WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT BE OR HAS NOT BEEN WAIVED. THESE PROVISIONS SHALL NOT BE DEEMED TO HAVE BEEN MODIFIED IN ANY RESPECT OR RELINQUISHED BY EITHER LENDER OR BORROWER EXCEPT BY A WRITTEN INSTRUMENT EXECUTED BY BOTH PARTIES.

**AMERCORD, INC.**  
a Delaware Corporation

By: Eric C. Kus  
Eric C. Kus  
Its ~~President~~ CEO

**GMAC BUSINESS CREDIT, LLC**

By: [Signature]  
Name: RAYMOND E. GREEN  
Title: LYNCH

Schedule 1 - Patents, Trademarks and Copyrights, etc.

Patents – Rights under a Patent License Agreement with N.V. Bekaert S.A. (see attached)

Copyrights – None

Trademarks

1. Serial No. 73-559,090  
Registration No. 1,389,688  
Registered: April 15, 1986
2. Serial No. 73-559,089  
Registration No. 1,389,687  
Registered: April 15, 1986

# Patent License Agreement

THIS AGREEMENT is made and entered into on 29 November, 1996, by and between

N.V. BEKAERT S.A.,

a company organized and existing under the laws of Belgium, and having its registered office at Bekaertstraat 2, 8530 Zwevegem, Belgium ("Bekaert"),

and

AMERCORD, Inc.

a Delaware corporation having its principal executive offices at 2200 Ross Avenue, Dallas, Texas 75201, U.S.A., ("Licensee").

WITNESSETH:

WHEREAS, pursuant to a License Agreement originally entered into between Akzo Nobel Fibers B.V. (previously known as Enka B.V.), of Arnhem, The Netherlands, and United States Steel Corporation on 1 September 1983, transferred by the latter to Associated Materials Inc. on 21 March 1984, amended in November 1985, and transferred by Associated Materials Inc. to Licensee on 1 May 1986, Licensee is licensed to use a number of patent rights for the manufacture of metallic cord or cable for reinforcing elastomeric articles;

WHEREAS, Akzo Nobel Fibers B.V. transferred its rights and duties under such License Agreement to Bekaert effective as of 1 January 1994; and

WHEREAS, the parties desire to amend and restate in its entirety such License Agreement on the terms and conditions set forth hereinafter;

NOW, THEREFORE, the parties hereto hereby agree as follows:

## Article 1. Definitions.

As used in this Agreement, the following terms shall have the meanings ascribed to them in this Article:

- 1.1. Patent Rights: Bekaert's patents and utility models listed in Schedule 1 attached hereto.
- 1.2. Patented Cord: metallic cord or cable for reinforcing elastomeric articles as claimed in the Patent Rights.

## Article 2. License Grant.

For the term of the present Agreement, Bekaert hereby grants to Licensee a non-exclusive, non-transferable license under the Patent Rights, without the right to grant sub licenses (except to a subsidiary in which Licensee has a direct or indirect share holding of 50 percent or more), to manufacture Patented Cord in the United States of America, and to sell such Patented Cord throughout the world.

**Bekaert/Amcord Patent License Agreement**

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**Article 3. Consideration.**

In consideration of the rights granted to Licensee under this Agreement, Licensee shall pay to Bekaert running royalties on all Patented Cord sold by Licensee during the term of this Agreement, at the following rates established 1 January 1994, which shall continue to apply per calendar year:

- (a) DEM 0.12 per kilogram, for any quantities up to the first 4,000 metric tons of Patented Cord;
- (b) DEM 0.10 per kilogram, for any quantities in excess of the first 4,000 metric tons, up to 8,000 metric tons of Patented Cord;
- (c) DEM 0.08 per kilogram, for any quantities in excess of the first 8,000 metric tons of Patented Cord.

No royalty shall be payable on quantities of Patented Cord which are not salable or which are returned due to nonconformities or other complaints.

**Article 4. Reports and Payments.**

Beginning in 1997, Licensee shall, no later than 15 January in each year, submit to Bekaert a written *estimate* showing, for the preceding calendar year, the aggregate quantity of Patented Cord sold by Licensee, and the *estimated* aggregate amount of running royalties payable to Bekaert. Licensee shall, no later than 31 January in each year, submit to Bekaert a written report confirming (or adjusting as required), the aggregate quantity of Patented Cord sold by Licensee, and the aggregate amount of running royalties payable to Bekaert on account thereof, for the preceding calendar year. No later than 15 February in each year Licensee shall pay such confirmed aggregate amount of running royalties to Bekaert. All payments shall be made in German currency by certified bank check or by bank wire transfer to an account specified by Bekaert in writing.

**Article 5. Accounting Records.**

Licensee shall maintain true and accurate books of account with respect to all Patented Cord sold under this Agreement and in sufficient detail to enable the amounts payable by Licensee hereunder to be accurately determined. Such books of account shall be made available for inspection at Licensee's principal executive offices in Dallas, Texas, U.S.A., at any time during regular business hours by an independent auditor appointed by Bekaert and reasonably acceptable to Licensee, but only to the extent necessary to verify the amounts payable hereunder and no more frequently than once per year. Licensee shall not be required to keep such records for more than three years.

**Article 6. Infringement.**

If, at any time during the term of this Agreement, a third party infringes any Patent Rights licensed hereunder to such an extent that Licensee is placed at a material commercial disadvantage with respect to its operation under this Agreement, and Licensee so notifies Bekaert in writing and Bekaert fails within six months after receipt of such notice either:

- (a) to obtain a discontinuation of the infringing act by licensing or otherwise, or
- (b) to bring suit and diligently prosecute same against such infringer,

Licensee shall be entitled to withhold and keep any amounts payable to Bekaert under Article 3 until such infringement ceases or is abated or suit is brought and diligently prosecuted against such infringer.

**Bekaert/Amercor's Patent License Agreement**

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**Article 7. Most Favored Licensee.**

Bekaert represents and warrants to Licensee that, since 1 September 1983, neither Bekaert nor Akzo Nobel Fibers B.V. have granted a license under any of the Patent Rights to any third party at royalty rates lower than those provided in Article 3 hereof. From and after the date hereof, Bekaert agrees that it will not grant a license under the Patent Rights to any third party at running royalty rates lower than those provided for in Article 3 hereof, and otherwise on substantially the same terms and conditions as this Agreement, without giving to Licensee an equivalent benefit thereof as of the earliest date on which such third party conducts commercial operations under such more favorable license. In the event that Bekaert or Akzo Nobel Fibers B.V. does enter into such more favorable license, Bekaert will promptly notify Licensee to that effect and advise Licensee concerning the change in running royalty rates affecting this Agreement.

**Article 8. Assignment.**

This Agreement shall not be assignable by either party without the express written consent of the other party, except in connection with the sale or transfer of that portion of the party's business to which this Agreement relates, and, provided the assignee should be required in writing to agree to be bound by the terms of this Agreement.

**Article 9. Term.**

9.1. This Agreement shall be effective in respect of sales of Patented Cord invoiced by Licensee from and after 1 January 1996. Unless sooner terminated as provided hereinbelow, this Agreement shall terminate on the day on which all of the Patent Rights will have expired or have been abandoned, invalidated or revoked.

9.2. Notwithstanding anything contained in this Agreement to the contrary, it is expressly acknowledged and agreed that royalties shall be payable pursuant to this Agreement with respect to Patented Cord manufactured or sold by Licensee in a country or other jurisdiction for such period as Bekaert holds valid, unexpired Patent Rights in such country or other jurisdiction. Therefore, when the U.S. Patent Rights shall have expired or otherwise terminated, Licensee shall have no obligation to pay royalties as to Patented Cord manufactured and sold by Licensee in the United States of America, but shall continue to pay royalties as to Patented Cord sold by Licensee to a customer taking delivery in another country or jurisdiction in which Bekaert continues to hold valid, unexpired Patent Rights.

**Article 10. Termination.**

10.1. In the event that Licensee shall materially breach or otherwise materially fail to comply with any provision of this Agreement, and such default shall continue for a period of 120 days after the receipt of written notice thereof by Bekaert to Licensee, specifying the default in reasonable detail, Bekaert shall be entitled to terminate this Agreement by giving written notice thereof to Licensee, such termination to be effective upon receipt of such notice.

10.2. Upon the termination of this Agreement in pursuance of Article 10.1, Licensee shall forthwith cease to manufacture or sell Patented Cord to the extent that such manufacture or sale shall constitute an infringement of any of the Patent Rights; provided however, that Licensee shall be entitled to continue to sell Patented Cord in work in process and finished goods inventory and continue to manufacture and sell Patented Cord to fulfill orders received by Licensee for Patented Cord prior to the receipt by Licensee of such termination notice. Further, in the event that Licensee disputes Bekaert's right to terminate this Agreement, Licensee shall continue to have the right to manufacture and sell Patented Cord until a court of competent jurisdiction (as contemplated by Article 11) enters a final, non appealable order determining that Bekaert has rightfully terminated this Agreement. Bekaert (or its

**Bekaert/Amercord Patent License Agreement**

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permitted assignee) shall be entitled to receive royalties as to Patented Cord manufactured and sold by Licensee as contemplated by this Section 10.2., provided that its entitled to receive such royalties in accordance with the terms of this Agreement.

**Article 11. Governing Law.**


11.1. All matters affecting the interpretation, the validity, or the performance of this Agreement shall be governed by United States law. In particular, all matters affecting the interpretation, the validity, or the performance of this Agreement shall be governed by the internal laws of the State of New York without regard to its conflict of law principles, except as otherwise expressly provided herein.

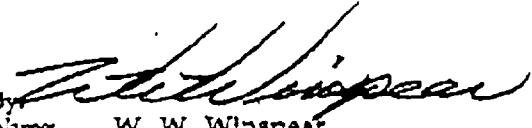
11.2. All disputes between the parties concerning the validity, the interpretation or the performance of this Agreement will be submitted to the U.S. Federal District Court for the Southern District of New York, and each party hereby irrevocably submits to the jurisdiction of such Court.


IN WITNESS WHEREOF, the parties have executed this Agreement in two original copies, on the day and year first above written, each party acknowledging receipt of one signed copy.

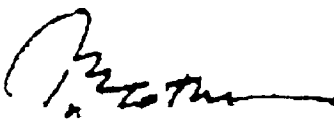
N.V. BEKAERT S.A.

AMERCORD, Inc.

By:   
Name: J. De Neve  
Title: Corporate Vice President

By:   
Name: W. W. Winspear  
Title: Chairman

By:   
Name: W. Hallemeersch  
Title: Corporate Vice President

By:   
Name: Richard E. Toth  
Title: President and CEO

## Schedule 1

## Patent Rights

Registry:	Patent N°:	Expiration Date:
Austria	343.014	15 August 1995
	384.043	15 February 2005
Belgium	841.724	12 May 1996
	893.105	7 May 2002
Brazil	8.202.660	7 May 1997
Canada	1.042.739	21 November 1995
	1.174.565	18 September 2001
France	76 13766	7 May 1996
	82 07798	5 May 2002
Germany	2.619.086	3 May 1994
	3.215.638	28 April 2002
Italy	1.059.752	30 April 1996
	1.147.949	6 May 2002
Japan	1.198.907	11 May 1996
	1.603.152	7 May 2002
Luxembourg	74.913	10 May 1996
	84.130	6 May 2002
Mexico	159.716	9 August 2003
Netherlands	174.664	12 May 1995
	191.315	7 May 2001
Republic of China on Taiwan	25.228 (Utility Model)	20 April 1994
Republic of Korea	26.181	30 April 2002
South Africa	82.2743	22 April 2002
Spain	265.009 (Utility Model)	29 March 2003
	447.638	28 June 1997
United Kingdom	1.524.094	7 May 1996
	2.098.251	10 May 2002
U.S.A.	4.022.009	10 May 1994
	4.030.248	21 June 1994
	4.408.444	26 April 2002

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660 WOODWARD AVENUE  
DETROIT, MICHIGAN 48226-3583  
FAX (313) 465-8000

LANSING, MICHIGAN

November 29, 1999

**VIA EXPRESS MAIL**

Commissioner of Patents and Trademarks  
BOX Assignments  
Washington, DC 20231

**Re: *Intellectual Property Security Agreement and Collateral Assignment from  
Amercord, Inc. to GMAC Business Credit, LLC***

Dear Sir or Madam:

Enclosed for filing are the following:

1. Recordation Form Cover Sheet for Trademarks Only from Amercord, Inc. to GMAC Business Credit, LLC.
2. Intellectual Property Security Agreement and Collateral Assignment.
3. Our check in the amount of \$65.00 to cover the filing fee.
4. A postcard to be receipt stamped and returned to the undersigned.

If you have any questions or problems with regard to this matter, please contact the undersigned by telephone call to (313) 465-7208.

Thank you for your assistance and cooperation.

Very truly yours,



Gayle C. Aiken  
Legal Assistant

GCA:dqc

Enclosures

DET\_B\202950 1

**RECORDED: 11/29/1999**

**TRADEMARK  
REEL: 001999 FRAME: 0016**