

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	Intellectual Property Security Agreement

CONVEYING PARTY DATA

Name	Formerly	Execution Date	Entity Type
Cheme Industries Incorporated		07/16/2012	CORPORATION: OHIO

RECEIVING PARTY DATA

Name:	KeyBank National Association, as Collateral Agent
Street Address:	127 Public Square
Internal Address:	Attn: Commercial Bank
City:	Cleveland
State/Country:	OHIO
Postal Code:	44114
Entity Type:	National Banking Association: OHIO

PROPERTY NUMBERS Total: 11

Property Type	Number	Word Mark
Registration Number:	2078411	CHERNE
Registration Number:	2078410	CHERNE
Registration Number:	2141708	CHERNE
Registration Number:	2730517	I-SERIES
Registration Number:	1727397	MS2
Registration Number:	0912238	MUNI-BALL
Registration Number:	1998946	
Registration Number:	2303180	
Registration Number:	2305083	
Registration Number:	1559813	ECON-O-GRIP
Registration Number:	1428285	KWIK 'N SURE

CORRESPONDENCE DATA

Fax Number: 2165665800

Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent via US Mail.

Phone: 216-566-5908
Email: wendy.seifert@thompsonhine.com
Correspondent Name: James A. Schneider, Esq.
Address Line 1: 127 Public Square
Address Line 2: 3900 Key Center
Address Line 4: Cleveland, OHIO 44114

ATTORNEY DOCKET NUMBER:	059131.00021
NAME OF SUBMITTER:	James A. Schneider, Esq.
Signature:	/jas/
Date:	07/19/2012

Total Attachments: 19

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INTELLECTUAL PROPERTY SECURITY AGREEMENT

This INTELLECTUAL PROPERTY SECURITY AGREEMENT (as the same may from time to time be amended, restated or otherwise modified, this "Agreement") is made effective as of the 16th day of July, 2012, by CHERNE INDUSTRIES INCORPORATED, an Ohio corporation ("Pledgor"), in favor of KEYBANK NATIONAL ASSOCIATION, as the collateral agent for the Secured Creditors, as hereinafter defined (in its capacity as the collateral agent, for the benefit of and on behalf of the Secured Creditors, "Collateral Agent").

1. Recitals.

CRWS, INC., a Minnesota subchapter S corporation ("CRWS"), OATEY CO., an Ohio subchapter S corporation ("Oatey"), OATEY SUPPLY CHAIN SERVICES, INC., an Ohio subchapter S corporation ("OSCS"), and the other Domestic Subsidiary Borrowers, as defined in the Credit Agreement, as hereinafter defined (together with their respective successors and assigns, collectively, "Credit Facility Borrowers"), are entering into that certain Amended and Restated Credit Agreement, dated September 23, 2011, as amended and restated as of July 16, 2012 (as the same may from time to time be further amended, restated or otherwise modified, the "Credit Agreement"), with the lenders from time to time party thereto (together with their respective successors and assigns and any other additional lenders that become party to the Credit Agreement, collectively, the "Lenders" and, individually, each a "Lender") and KeyBank National Association, as administrative agent for the Lenders ("Agent"). Pledgor desires that the Lenders grant to Credit Facility Borrowers the financial accommodations as described in the Credit Agreement.

CRWS, Oatey and OSCS (together with their respective successors and assigns, collectively, "Senior Notes Borrowers" and, together with Credit Facility Borrowers, collectively, "Borrowers" and, individually, each a "Borrower") are entering into that certain Amended and Restated Note Purchase and Private Shelf Agreement (as the same may from time to time be further amended, restated or otherwise modified, the "Senior Notes Shelf Agreement"), dated July 16, 2012, with Prudential Investment Management, Inc. ("Prudential") and certain affiliates of Prudential that may from time to time purchase Senior Notes (as hereinafter defined) thereunder, pursuant to which Senior Notes Borrowers may issue up to Fifty Million Dollars (\$50,000,000) of senior secured notes, all as more specifically described in the Senior Notes Shelf Agreement. Pledgor desires that the Senior Noteholders, as hereinafter defined, grant to Senior Notes Borrowers the financial accommodations as described in the Senior Notes Shelf Agreement.

Pledgor understands that the Secured Creditors are willing to grant the financial accommodations to Borrowers only upon certain terms and conditions, one of which is that Pledgor grant to Collateral Agent, for the benefit of the Secured Creditors, a security interest in the Collateral, as hereinafter defined, and this Agreement is being executed and delivered in consideration of each financial accommodation granted to Borrowers by the Secured Creditors, and for other valuable consideration, the receipt and sufficiency of which is hereby acknowledged.

2. Definitions. Except as specifically defined herein, (a) capitalized terms used herein that are defined in the Credit Agreement shall have their respective meanings ascribed to them in the Credit Agreement, and (b) unless otherwise defined in the Credit Agreement, terms that are defined in the U.C.C. are used herein as so defined. As used in this Agreement, the following terms shall have the following meanings:

“Assignment” means an Assignment in the form of Exhibit A attached hereto.

“Bank Documents” means, collectively, the Credit Agreement and the other Loan Documents.

“Bank Obligations” means, collectively, (a) all Indebtedness and other obligations now owing or hereafter incurred by one or more Credit Facility Borrowers to Agent, Collateral Agent, the Swing Line Lender, the Fronting Lender or any Lender pursuant to the Credit Agreement and the other Loan Documents, and includes the principal of and interest on all Loans, Protective Advances and all obligations of Credit Facility Borrowers or of any other Credit Party pursuant to Letters of Credit; (b) each extension, renewal, consolidation or refinancing of any of the foregoing, in whole or in part; (c) the commitment and other fees, and any prepayment fees payable pursuant to the Credit Agreement or any other Loan Document; (d) all fees and charges in connection with the Letters of Credit; (e) all obligations and liabilities of the Companies owing to Lenders (or an entity that is an affiliate of a then existing Lender) under Hedge Agreements (other than Excluded Hedge Agreements, as defined in the Credit Agreement); (f) the Bank Product Obligations owing to Lenders (or an entity that is an affiliate of a then existing Lender) under Bank Product Agreements; (g) every other liability, now or hereafter owing to Agent, Collateral Agent or any Lender by any Company or Pledgor pursuant to the Credit Agreement or any other Loan Document; and (h) all Related Expenses.

“Bank Product Agreements” means those certain cash management service and other agreements entered into from time to time between a Borrower or a Subsidiary and Agent or a Lender (or an affiliate of a Lender) in connection with any of the Bank Products.

“Bank Product Obligations” means all obligations, liabilities, contingent reimbursement obligations, fees, and expenses owing by a Borrower or a Subsidiary to Agent or any Lender (or an affiliate of a Lender) pursuant to or evidenced by the Bank Product Agreements.

“Bank Products” means any service or facility extended to a Borrower or a Subsidiary by Agent or any Lender (or an affiliate of a Lender) including (a) purchase card programs, (b) ACH transactions, and (c) cash management, including controlled disbursement, accounts or services.

“Collateral” means, collectively, all of Pledgor’s existing and future right, title and interest in, to and under (a) industrial designs, patents, patent registrations, patent applications, trademarks, trademark registrations, trademark applications, service marks, trade names, and copyright registrations and other intellectual property or registrations, whether federal, state or foreign, including, but not limited to, those that are registered or pending as listed on Schedule 1 hereto (as such Schedule 1 may from time to time be amended, supplemented or otherwise modified); (b) common law trademark rights, copyrights, rights in trade dress, publicity, works

of authorship and other unregistered copyrightable material, improvements and proprietary and confidential information, including, without limitation, personal, financial, and other sensitive data, plans, know-how, processes, formulae, algorithms and inventions; (c) renewals, continuations, extensions, reissues and divisions of any of the foregoing; (d) rights to sue for past, present and future infringements or any other commercial tort claims relating to any of the foregoing; (e) licenses and all income, revenue and royalties with respect to any licenses, whether registered or unregistered and all other payments earned under contract rights relating to any of the foregoing; (f) general intangibles and all intangible intellectual or similar property of Pledgor connected with and symbolized by any of the foregoing; (g) goodwill associated with any of the foregoing; (h) all payments under insurance, including the returned premium upon any cancellation of insurance (whether or not Collateral Agent or any Secured Creditor is the loss payee thereof) or any indemnity, warranty or guaranty payable by reason of loss or damage to or otherwise with respect to any of the foregoing; and (i) Proceeds of any of the foregoing.

“Event of Default” means that term as defined in the Credit Agreement or the Senior Notes Shelf Agreement.

“Intercreditor Agreement” means that certain Amended and Restated Intercreditor Agreement, dated September 23, 2011, as amended and restated as of July 16, 2012, among Agent (for the benefit of and on behalf of the Lenders), Collateral Agent and the Senior Noteholders, as the same may from time to time be amended, restated or otherwise modified.

“Proceeds” means (a) proceeds, as that term is defined in the U.C.C., and any other proceeds, and (b) whatever is received upon the sale, exchange, collection, or other disposition of Collateral or proceeds, whether cash or non-cash. Cash proceeds include, without limitation, moneys, checks, and Deposit Accounts.

“Required Senior Creditors” means that term as defined in the Intercreditor Agreement.

“Secured Creditors” means Agent, the Lenders and the Senior Noteholders.

“Secured Creditor Obligations” means, collectively, (a) the Bank Obligations, and (b) the Senior Notes Obligations.

“Secured Loan Documents” means the Bank Documents and the Senior Notes Documents.

“Senior Noteholders” means the holders of the Senior Notes.

“Senior Notes” means any promissory notes issued under the Senior Notes Shelf Agreement, as the same may from time to time be amended, restated, supplemented or otherwise modified.

“Senior Notes Documents” means the Senior Notes Shelf Agreement and the Senior Notes, and every other agreement executed in connection therewith, as the same may from time to time be amended, restated, supplemented or otherwise modified.

“Senior Notes Obligations” means (a) the principal amount of the Senior Notes, and (b) all of the other present or future indebtedness, liabilities and obligations of any Senior Notes Borrower now or hereafter owed to the Senior Noteholders by virtue of or pursuant to the Senior Notes Documents, or any guaranty executed in connection with any of the foregoing, including, without limitation, all interest on the Senior Notes, all fees, costs, expenses, indemnities and any Yield Maintenance Amounts (as defined in the Senior Notes Shelf Agreement).

“USCO” means the United States Copyright Office in Washington, D.C.

“USPTO” means the United States Patent and Trademark Office in Alexandria, Virginia.

3. Grant of Security Interest. In consideration of and as security for the full and complete payment of all of the Secured Creditor Obligations, Pledgor hereby agrees that Collateral Agent shall at all times have, and hereby grants to Collateral Agent, for the benefit of the Secured Creditors, a security interest in all of the Collateral, including (without limitation) all of Pledgor’s future Collateral, irrespective of any lack of knowledge by Collateral Agent or the Secured Creditors of the creation or acquisition thereof.

4. Representations and Warranties. Pledgor hereby represents and warrants to Collateral Agent and each Secured Creditor as follows:

4.1. Pledgor owns all of the Collateral and, whether the same are registered or unregistered, no such Collateral has been adjudged invalid or unenforceable.

4.2. The Collateral is valid and enforceable.

4.3. Pledgor has no knowledge of any material claim that the use of any of the Collateral does or may violate the rights of any Person.

4.4. To Pledgor’s knowledge, other than as set forth on Schedule 2 hereto, Pledgor is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to the Collateral, free and clear of any liens, charges and encumbrances, including, without limitation, pledges, assignments, licenses, registered user agreements and covenants by Pledgor not to sue third Persons.

4.5. Pledgor has full power, authority and legal right to pledge the Collateral and enter into this Agreement and perform its terms.

4.6. Pledgor has used, and shall continue to use, for the duration of this Agreement, proper statutory notice in connection with its use of the Collateral, except where the failure to do so will not have a Material Adverse Effect.

5. Further Assignment Prohibited. Pledgor shall not enter into any agreement that is inconsistent with Pledgor’s obligations under this Agreement and shall not otherwise sell or

assign its interest in, or grant any license or sublicense with respect to, any of the Collateral, except in the ordinary course of business.

6. Right to Inspect. Upon reasonable notice to Pledgor from Collateral Agent, Pledgor hereby grants to Collateral Agent, for the benefit of the Secured Creditors, and its employees and agents the right, during regular business hours, to visit any location of Pledgor or, if applicable, any other location, and to inspect the products and quality control records relating thereto at Pledgor's expense; provided that, if no Event of Default shall have occurred during any fiscal year of Pledgor, Pledgor shall not be required to pay or reimburse the costs and expenses of the foregoing to Collateral Agent more than once for such year.

7. Standard Patent and Trademark Use. Pledgor shall not use the Collateral in any manner that would jeopardize the validity or legal status thereof. Pledgor shall comply with all patent marking requirements as specified in 35 U.S.C. §287. Pledgor shall use commercially reasonable efforts to conform its usage of any trademarks to standard trademark usage, including, but not limited to, using the trademark symbols ®, ™, and SM where appropriate.

8. Remedies.

8.1. Collateral Agent shall at all times have the rights and remedies of a secured party under the U.C.C. and the Ohio Revised Code as in effect from time to time, in addition to the rights and remedies of a secured party provided elsewhere within this Agreement, any Note or any other Secured Loan Document, or otherwise provided in law or equity.

8.2. Pledgor expressly acknowledges that Collateral Agent, on behalf of the Senior Creditors, shall record this Agreement with the USCO and the USPTO, as appropriate. Contemporaneously herewith, Pledgor shall execute and deliver to Collateral Agent the Assignment, which Assignment shall have no force and effect and shall be held by Collateral Agent in escrow until the occurrence and during the continuance of an Event of Default; provided that, anything herein to the contrary notwithstanding, the security interest and collateral assignment granted herein shall be effective as of the date of this Agreement. After the occurrence and during the continuance of an Event of Default, the Assignment shall immediately take effect upon certification of such fact by an authorized officer of Collateral Agent in the form reflected on the face of the Assignment and Collateral Agent may record the Assignment with the USCO and the USPTO, as appropriate.

9. Maintaining Collateral; Attorneys' Fees, Costs and Expenses. Pledgor shall have the obligation and duty to perform all acts necessary to maintain or preserve the Collateral, provided that Pledgor shall not be obligated to maintain any Collateral in the event Pledgor determines, in the reasonable business judgment of Pledgor, that the maintenance of such Collateral is no longer necessary in Pledgor's business. Any and all fees, costs and expenses, of whatever kind or nature, including, without limitation, the attorneys' fees and legal expenses incurred by Collateral Agent and the Secured Creditors in connection with the amendment and enforcement of this Agreement, all renewals, required affidavits and all other documents relating hereto and the consummation of this transaction, the filing or recording of any documents (including all taxes in connection therewith) in public offices, the payment or discharge of any

taxes, counsel fees, maintenance fees, encumbrances or otherwise protecting, maintaining or preserving the Collateral, or in defending or prosecuting any actions or proceedings arising out of or related to the Collateral, shall be borne and paid by Pledgor, upon demand by Collateral Agent and, until so paid, shall be added to the principal amount of the Secured Creditor Obligations.

10. Pledgor's Obligation to Prosecute. Pledgor shall have the duty to prosecute diligently (unless in Pledgor's reasonable judgment such prosecution will be unsuccessful or is otherwise unwarranted) any patent, trademark, service mark or copyright application pending as of the date of this Agreement or thereafter until the Secured Creditor Obligations shall have been paid in full, to file and prosecute opposition and cancellation proceedings and to do any and all acts that are necessary or desirable to preserve and maintain all rights in the Collateral, including, but not limited to, payment of any maintenance fees. Any expenses incurred in connection with the Collateral shall be borne by Pledgor. Pledgor shall not abandon any Collateral unless such abandonment will not have a material adverse effect on Pledgor or such abandonment is in connection with the abandonment of a product or product line.

11. Collateral Agent's Right to Enforce. Pledgor shall have the right to bring any opposition proceeding, cancellation proceeding or lawsuit in its own name to enforce or protect the Collateral. Collateral Agent, on behalf of the Secured Creditors, shall have the right, but shall have no obligation, to join in any such action. Pledgor shall promptly, upon demand, reimburse and indemnify Collateral Agent and the Secured Creditors for all damages, reasonable costs and expenses, including attorneys' fees, incurred by Collateral Agent and the Secured Creditors in connection with the provisions of this Section 11, in the event Collateral Agent, on behalf of the Secured Creditors, elects to join in any such action commenced by Pledgor.

12. Power of Attorney. Pledgor hereby authorizes and empowers Collateral Agent, on behalf of the Secured Creditors, to make, constitute and appoint any officer or agent of Collateral Agent as Collateral Agent may select, in its exclusive discretion, as Pledgor's true and lawful attorney-in-fact, with the power to endorse, after the occurrence and during the continuance of an Event of Default, Pledgor's name on all applications, documents, papers and instruments necessary for Collateral Agent, on behalf of the Secured Creditors, to use the Collateral, or to grant or issue any exclusive or nonexclusive license under the Collateral to any third party, or necessary for Collateral Agent, on behalf of the Secured Creditors, to assign, pledge, convey or otherwise transfer title in or dispose of the Collateral, together with associated goodwill, to any Person or Persons. Pledgor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney shall take effect upon the occurrence and during the continuance of an Event of Default and shall be irrevocable for the life of this Agreement.

13. Collateral Agent's Right to Perform Obligations. If Pledgor fails to comply with any of its obligations under this Agreement, Collateral Agent, on behalf of the Secured Creditors, may, but is not obligated to, do so in the name of Pledgor or in the name of Collateral Agent, on behalf of the Secured Creditors, but at Pledgor's expense, and Pledgor hereby agrees to reimburse Collateral Agent, upon request, in full for all expenses, including attorneys' fees,

incurred by Collateral Agent and the Secured Creditors in protecting, defending and maintaining the Collateral.

14. New Collateral. If, before the Secured Creditor Obligations shall have been irrevocably paid in full and the commitments established under the Secured Loan Documents terminated, Pledgor shall obtain rights to any new Collateral, the provisions of this Agreement hereby shall automatically apply thereto as if the same were identified on Schedule 1 as of the date hereof and Pledgor shall give Collateral Agent prompt written notice thereof.

15. Modifications for New Collateral. Pledgor hereby authorizes Collateral Agent to modify this Agreement by amending Schedule 1 hereto to include any future Collateral as contemplated by Sections 1 and 14 hereof and, at Collateral Agent's request, Pledgor shall execute any documents or instruments required by Collateral Agent in order to modify this Agreement as provided by this Section 15, provided that any such modification to Schedule 1 shall be effective without the signature of Pledgor.

16. Collateral Agent. Collateral Agent will hold in accordance with this Agreement all items of the Collateral at any time received under this Agreement. It is expressly understood and agreed that the obligations of Collateral Agent as holder of the Collateral and interests therein and with respect to the disposition thereof, and otherwise under this Agreement, are only those expressly set forth in this Agreement. Collateral Agent shall act hereunder on the terms and conditions set forth herein. Collateral Agent shall not be deemed to have knowledge or notice of the occurrence of any Event of Default unless Collateral Agent, in such capacity, has received notice from a Secured Creditor or Pledgor referring to the Credit Agreement or the Senior Notes Shelf Agreement, describing such Event of Default and stating that such notice is a "notice of default". In the event that Collateral Agent receives such a notice, Collateral Agent shall give notice thereof to the Secured Creditors. Subject to the Intercreditor Agreement (to the extent the Intercreditor Agreement is in effect), Collateral Agent may (but shall not be obligated to) take such action, or refrain from taking such action, as it shall deem advisable, in its discretion, for the protection of the Collateral or the security interests of the holders of the Secured Creditor Obligations.

17. Indemnification by Pledgor.

(a) Generally. Pledgor hereby agrees to indemnify, reimburse and hold Collateral Agent and each Secured Creditor, and their respective affiliates, officers, directors, attorneys, agents and employees (hereinafter in this Section 17 referred to individually as "Indemnitee" and, collectively, as "Indemnities") harmless from any and all liabilities, obligations, losses, damages, penalties, claims, demands, actions, suits, judgments and any and all reasonable out-of-pocket costs and expenses of whatsoever kind and nature imposed on, asserted against or incurred by any of the Indemnities in any way relating to or arising out of this Agreement, any other Secured Loan Document, or the documents executed in connection herewith and therewith, or in any other way connected with the enforcement of any of the terms of, or the preservation of any rights under any thereof, or in any way relating to or arising out of the manufacture, ownership, ordering, purchase, delivery, control, acceptance, lease, financing, possession, operation, condition, sale, return or other disposition, or use of the Collateral (including, without

limitation, latent or other defects, whether or not discoverable), the violation of the laws of any country, state or other governmental body or unit, any tort (including, without limitation, claims arising or imposed under the doctrine of strict liability, or for or on account of injury to or the death of any person (including any Indemnitee), or property damage), or contract claim; provided that no Indemnitee shall be indemnified pursuant to this subsection (a) for losses, damages or liabilities to the extent caused by the gross negligence or willful misconduct (as determined by a final determination of a court of competent jurisdiction) of such Person to be indemnified.

(b) Collateral Agent. Without limiting subsection (a) above, Pledgor hereby agrees to pay, or reimburse Collateral Agent for (if Collateral Agent shall have incurred such fees, costs or expenses), any and all out-of-pocket fees, costs and expenses of whatever kind or nature incurred in connection with the creation, preservation or protection of the Liens of Collateral Agent on, and security interest in, the Collateral, including, without limitation, all fees and taxes in connection with the recording or filing of instruments and documents in public offices, payment or discharge of any taxes or Liens upon or in respect of the Collateral, premiums for insurance with respect to the Collateral and all other fees, costs and expenses in connection with protecting, maintaining or preserving the Collateral and Collateral Agent's interest therein, whether through judicial proceedings or otherwise, or in defending or prosecuting any actions, suits or proceedings arising out of or relating to the Collateral.

(c) Indemnitees. Without limiting the application of subsections (a) and (b) above, Pledgor hereby agrees to pay, indemnify and hold each Indemnitee harmless from and against any loss, costs, damages and expenses that such Indemnitee may suffer, expend or incur in consequence of or growing out of any material misrepresentation by Pledgor in this Agreement, or in any statement or writing contemplated by or made or delivered pursuant to or in connection with this Agreement.

(d) Indemnity Obligations Secured by Collateral; Survival. Any amounts paid by any Indemnitee as to which such Indemnitee has the right to reimbursement shall constitute Secured Creditor Obligations secured by the Collateral. The indemnity obligations of Pledgor contained in this Section 17 shall continue in full force and effect notwithstanding the full payment of all the other Secured Creditor Obligations and notwithstanding the discharge thereof.

18. Indemnification by the Secured Creditors. The Lenders and the Senior Noteholders hereby indemnify Collateral Agent (and its affiliates, officers, directors, attorneys, agents and employees), to the extent not reimbursed by Pledgor, ratably based on their respective share of the indebtedness that comprises the Secured Creditor Obligations (or, so long as the Intercreditor Agreement is in effect, according to their Sharing Proportion for Interest, Principal and Other Amounts, as defined in the Intercreditor Agreement) from and against any expenses, costs, damages, judgments, penalties, fines, charges, claims, demands and liabilities, and any and all legal fees and disbursements actually incurred that may be imposed on, incurred by or asserted against Collateral Agent in any way relating to or arising out of this Agreement or any Secured Loan Document or any action taken or omitted by Collateral Agent with respect to this Agreement or any Secured Loan Document, except that no Secured Creditor shall be liable to Collateral Agent for any portion of such claim resulting from the gross negligence or willful

misconduct of Collateral Agent (as determined by a final determination of a court of competent jurisdiction). No action taken in accordance with the directions of the Required Senior Creditors or with the advice of counsel shall be deemed to constitute gross negligence or willful misconduct for purposes of this Section 18. The indemnifications included in this Agreement shall survive the termination of this Agreement.

19. Collateral Agent to Act on Behalf of Secured Creditors. The Secured Creditors agree by their acceptance of the benefits hereof that this Agreement may be enforced on their behalf only by the action of Collateral Agent. No other Secured Creditor shall have any right individually to seek to enforce or to enforce this Agreement or to realize upon the security to be granted hereby, it being understood and agreed that such rights and remedies may be exercised by Collateral Agent, for the benefit of the Secured Creditors, upon the terms of this Agreement (and subject to the Intercreditor Agreement, for so long as it is in effect).

20. Interpretation. Each right, power or privilege specified or referred to in this Agreement is cumulative and in addition to and not in limitation of any other rights, powers and privileges that Collateral Agent or the Secured Creditors may otherwise have or acquire by operation of law, by contract or otherwise. No course of dealing by Collateral Agent or the Secured Creditors in respect of, nor any omission or delay by Collateral Agent or the Secured Creditors in the exercise of, any right, power or privilege shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or privilege preclude any other or further exercise thereof or of any other right, power or privilege, as Collateral Agent and the Secured Creditors may exercise each such right, power or privilege either independently or concurrently with others and as often and in such order as Collateral Agent and the Required Senior Creditors may deem expedient. No waiver, consent or other agreement shall be deemed to have been made by Collateral Agent or be binding upon Collateral Agent in any case unless specifically granted by Collateral Agent in writing, and each such writing shall be strictly construed. The captions to sections herein are inserted for convenience only and shall be ignored in interpreting the provisions of this Agreement.

21. Maximum Liability of Pledgor and Rights of Contribution. It is the desire and intent of Pledgor, Collateral Agent and the Secured Creditors that this Agreement shall be enforced to the fullest extent permissible under the laws and public policies applied in each jurisdiction in which enforcement is sought. If and to the extent that the obligations of Pledgor under this Agreement would, in the absence of this sentence, be adjudicated to be invalid or unenforceable because of any applicable state or federal law relating to fraudulent conveyances or transfers, then anything in this Agreement or any other Secured Loan Document to the contrary notwithstanding, in no event shall the amount of the Secured Creditor Obligations secured by this Agreement by Pledgor exceed the maximum amount that (after giving effect to the incurring of the obligations hereunder and to any rights to contribution of Pledgor from other affiliates of Borrowers) would not render the rights to payment of Collateral Agent and the Secured Creditors hereunder void, voidable or avoidable under any applicable fraudulent transfer law. Pledgor hereby agrees that, in connection with the payments made hereunder, Pledgor shall have a right of contribution from other Credit Parties, as appropriate, in accordance with applicable law. Such contribution rights shall be waived until such time as the Secured Creditor

Obligations have been irrevocably paid in full, and Pledgor shall not exercise any such contribution rights until the Secured Creditor Obligations have been irrevocably paid in full.

22. Termination. At such time as the Secured Creditor Obligations shall have been irrevocably paid in full, the commitments established under the Credit Agreement terminated, and both the Credit Agreement and the Senior Notes Shelf Agreement terminated and not replaced by any other credit facility with Agent, the Lenders or the Senior Noteholders, Pledgor shall have the right to terminate this Agreement. Upon written request of Pledgor, Collateral Agent shall execute and deliver to Pledgor all deeds, assignments, and other instruments as may be necessary or proper to release Collateral Agent's security interest in the Collateral and to re-vest in Pledgor full title to the Collateral. Pledgor will indemnify Collateral Agent in all respects for all costs incurred by Collateral Agent in connection with such termination.

23. Release of Collateral. In the event any part of the Collateral is sold in connection with a sale permitted by Section 5.12 of the Credit Agreement and by the Senior Notes Shelf Agreement, and the proceeds of such sale or sales or from such release are applied in accordance with the terms of the Intercreditor Agreement (and during any period in which the principal outstanding on the Senior Notes is Zero Dollars (\$0.00), then such proceeds shall be applied solely in accordance with the Credit Agreement) to the extent required to be so applied, Collateral Agent, at the request and expense of Pledgor, will (a) release such Collateral from this Agreement, and (b) execute and deliver to Pledgor (without recourse and without any representation or warranty) all deeds, assignments and other instruments necessary or proper to re-vest in Pledgor full title to such Collateral as is then (or has been) so sold or released and has not theretofore been released pursuant to this Agreement.

24. No Waiver or Course of Dealing. No course of dealing between Pledgor and Collateral Agent or any Secured Creditor, nor any failure to exercise, nor any delay in exercising, on the part of Collateral Agent or any such Secured Creditor, any right, power or privilege hereunder or under any of the Secured 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 further exercise thereof or the exercise of any other right, power or privilege.

25. Remedies Cumulative. All of the rights and remedies of Collateral Agent with respect to the Collateral, whether established hereby or by the Secured Loan Documents, or by any other agreements or by law shall be cumulative and may be executed singularly or concurrently.

26. Severability. 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 thereof, 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.

27. Modifications. This Agreement may be amended or modified only by a writing signed by Pledgor and Collateral Agent. No waiver or consent granted in respect of this

Agreement shall be binding unless specifically granted in writing, which writing shall be strictly construed.

28. Assignment and Successors. This Agreement shall be binding upon Pledgor and its successors and permitted assigns and shall inure to the benefit of and be enforceable and exercisable by Collateral Agent on behalf of and for the benefit of Collateral Agent and the Secured Creditors and their respective successors and assigns.

29. Notice. All notices, requests, demands and other communications provided for hereunder shall be in writing and, if to Pledgor, mailed or delivered to it, addressed to it at the address specified on the signature page of this Agreement, if to Collateral Agent, Agent or any Lender, mailed or delivered to it, addressed to the address of Collateral Agent, Agent or such Lender specified on the signature pages of the Credit Agreement, if to any Senior Noteholder, mailed or delivered to it, addressed to the address of such Senior Noteholder specified on the signature pages of the Intercreditor Agreement, or, as to each party, at such other address as shall be designated by such party in a written notice to each of the other parties. All notices, statements, requests, demands and other communications provided for hereunder shall be deemed to be given or made when delivered or two Business Days after being deposited in the mails with postage prepaid by registered or certified mail, addressed as aforesaid, or sent by facsimile with telephonic confirmation of receipt (if received during a Business Day, otherwise the following Business Day). All notices hereunder shall not be effective until received.

30. Governing Law; Submission to Jurisdiction. The provisions of this Agreement and the respective rights and duties of Pledgor, Collateral Agent and the Secured Creditors hereunder shall be governed by and construed in accordance with Ohio law, without regard to principles of conflicts of laws that would result in the application of the law of any other state. Pledgor hereby irrevocably submits to the non-exclusive jurisdiction of any Ohio state or federal court sitting in Cleveland, Ohio, over any action or proceeding arising out of or relating to this Agreement, any Secured Loan Document or any Related Writing, and Pledgor hereby irrevocably agrees that all claims in respect of such action or proceeding may be heard and determined in such Ohio state or federal court. Pledgor hereby irrevocably waives, to the fullest extent permitted by law, any objection it may now or hereafter have to the laying of venue in any such action or proceeding in any such court as well as any right it may now or hereafter have to remove such action or proceeding, once commenced, to another court on the grounds of FORUM NON CONVENIENS or otherwise. Pledgor agrees that a final, nonappealable judgment in any such action or proceeding in any state or federal court in the State of Ohio shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

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JURY TRIAL WAIVER. PLEDGOR, TO THE EXTENT PERMITTED BY LAW, HEREBY WAIVES ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE, AMONG BORROWERS, PLEDGOR, COLLATERAL AGENT AND THE SECURED CREDITORS, OR ANY THEREOF, ARISING OUT OF, IN CONNECTION WITH, RELATED TO, OR INCIDENTAL TO THE RELATIONSHIP ESTABLISHED AMONG THEM IN CONNECTION WITH THIS AGREEMENT OR ANY NOTE OR OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HEREWITH OR THE TRANSACTIONS RELATED THERETO.

IN WITNESS WHEREOF, the undersigned has executed and delivered this Intellectual Property Security Agreement at Cleveland, Ohio as of the date first set forth above.

Address: 5700 Lincoln Drive
Minneapolis, Minnesota 55436
Attention: Chief Financial Officer

CHERNE INDUSTRIES INCORPORATED

By:  _____

Neal R. Restivo
Vice President & Secretary

SCHEDULE 1

PATENTS¹:

See attached.

TRADEMARKS:

See attached.

¹ Pending and Issued

PATENTS

PENDING AND ISSUED PATENTS FOR CHERNE INDUSTRIES

<u>REFERENCE NO./COUNTRY</u>	<u>TITLE</u>	<u>SERIAL NO.</u>	<u>FILED</u>	<u>PATENT NO.</u>	<u>ISSUED</u>	<u>COMMENTS</u>
US	RUPTURE DISC ASSEMBLY FOR PNEUMATIC PLUGS	12/009,538	01/21/2008	8,020,577	20-Sep-2011	Assigned to Cherne Industries
CA	AIR ADMITTANCE VALVE ASSEMBLY	2,420,307	07/25/2001			Assigned to Cherne Industries Incorporated
US	TWO PIECE MECHANICAL PLUG ASSEMBLY	29/097,864	12/16/1998	D421,792	21-Mar-2000	Assigned to Cherne Industries Incorporated
US	PNEUMATIC PLUG WITH LARGE BYPASS	29/061,130	10/16/1996	D398,380	15-Sep-1998	Assigned to Cherne Industries Incorporated
US	PNEUMATIC TEST PLUG	29/076,302	07/22/1997	D398,254	15-Sep-1998	Assigned to Cherne Industries Incorporated
US	INFLATABLE FABRIC BAG PLUG	08/460,255	06/02/1995	5,546,991	20-Aug-1996	Assigned to Cherne Industries Assigned to Incorporated
US	PNEUMATIC PLUG FOR CLEAN-OUT TEES	08/064,378	05/21/1993	5,353,841	11-Oct-1994	Assigned to Cherne Industries Incorporated
US	MECHANICAL PLUG DEVICE	08/011,799	02/01/1993	5,348,085	20-Sep-1994	Assigned to Cherne Industries Incorporated

TRADEMARKS

Trademark Name	Country Name	Case Number	Owner	Application Number	Filing Date	Registration Date	Registration Number	Status
<u>CHERNE INDUSTRIES</u>								
<u>INCORPORATED -</u>								
CHERNE	China (People's Republic)	759304121	CHE	3,900,010	1/30/2004	2/14/2006	3,090,010	Registered
CHERNE	China (People's Republic)	759304122	CHE	3,900,009	1/30/2004	12/7/2005	3,900,009	Registered
I-SERIES	Czech Republic	759304278	CHE	183,506	9/10/2002	4/28/2003	253,911	Registered
I-SERIES	European Community	759304255	CHE	2,789,550	7/25/2002	3/24/2004	2,789,550	Registered
CHERNE	Germany	759304224	CHE	C28667	8/16/1979	3/17/1981	1,015,568	Registered
MUNI-BALL	Germany	759304225	CHE	C28669	8/16/1979	3/10/1980	999,029	Registered
CHERNE	India	759304246	CHE	1,754,168	11/17/2008	2/11/2011	1,754,168	Registered
CHERNE	Japan	759304256	CHE	1979-074290	10/2/1979	8/28/1986	1,885,288	Registered
MUNI-BALL	Japan	759304258	CHE	1979-074292	10/2/1979	8/28/1986	1,885,290	Registered
TEST-BALL	Japan	759304257	CHE	1979-074293	10/2/1979	3/26/1986	1,847,354	Registered
CHERNE	Mexico	759304123	CHE	691,945	12/8/2004	2/24/2005	869,272	Registered
CHERNE	Mexico	759304124	CHE	691,946	12/8/2004	8/23/2005	869,059	Registered
I-SERIES	Slovenia	759304279	CHE	Z200271232	9/12/2002	4/7/2003	200271232	Registered
CHERNE	Taiwan	759304125	CHE	92069420	11/28/2003	7/1/2005	1,162,719	Registered
CHERNE	United Kingdom	759304216	CHE	1,126,047	12/21/1979	12/21/1979	1,126,047	Registered
CHERNE	United States of America	759304268	CHE	74718.126	8/21/1995	7/15/1997	2,078,411	Registered
CHERNE	United States of America	759304269	CHE	74717.948	8/21/1995	7/15/1997	2,078,410	Registered
CHERNE	United States of	759304270	CHE	74718.373	8/21/1995	3/10/1998	2,141,708	Registered

	America								
I-SERIES	United States of America	759304254	CHE	76/381,318	3/13/2002	6/24/2003	2,730,517	Registered	
MS2	United States of America	759304398	CHE	74/251,874	3/3/1992	10/27/1992	1,727,397	Registered	
MUNI-BALL	United States of America	759304119	CHE	72/323,787	4/7/1969	6/8/1971	912,238	Registered	
PRODUCT CONFIGURATION: GRIPPER MECHANICAL PLUG	United States of America	759304397	CHE	74/468,135	12/10/1993	9/10/1996	1,998,946	Registered	
PRODUCT CONFIGURATION: LONG BALL	United States of America	759304395	CHE	75/269,879	4/7/1997	12/28/1999	2,303,180	Registered	
PRODUCT CONFIGURATION: PNEUMATIC PLUG	United States of America	759304396	CHE	75/269,880	4/7/1997	1/4/2000	2,305,083	Registered	
AIR-LOC	France	759304221	CII	1,541,900	7/17/1989	7/17/1989	1,541,900	Registered	
CHERNE	France	759304220	CII	1,541,901	7/17/1989	7/17/1989	1,541,901	Registered	
MUNI-BALL	France	759304222	CII	1,536,460	6/14/1989	6/14/1989	1,536,460	Registered	
TEST-BALL	France	759304223	CII	1,536,461	6/14/1989	6/14/1989	1,536,461	Registered	
CHERNE AIR LOC	Germany	759304061	CII	1,023,719	3/12/1981	10/6/1981	1,023,719	Registered	
CHERNE TEST BALL	Germany	759304062	CII	1,023,720	3/12/1981	10/6/1981	1,023,720	Registered	
CHERNE (LOGO)	Italy	759304217	CII	RM1989C04174	9/22/1989	5/18/1992	571,402	Registered	
MUNI-BALL	Italy	759304218	CII	RM1989C04174	9/22/1989	5/18/1992	571,404	Registered	
TEST-BALL	Italy	759304219	CII	RM1989C04174	9/22/1989	5/18/1992	571,403	Registered	
ECON-O-GRIP	United States of America	759304400	CII	73/741,043	7/20/1988	10/10/1989	1,559,813	Registered	
KWIK 'N SURE	United States of America	759304399	CII	73/608,399	7/8/1986	2/10/1987	1,428,285	Registered	

SCHEDULE 2

None.

EXHIBIT A
FORM OF ASSIGNMENT

THIS DOCUMENT SHALL BE HELD BY COLLATERAL AGENT, FOR THE BENEFIT OF THE SECURED CREDITORS, IN ESCROW PURSUANT TO AND IN ACCORDANCE WITH THE PROVISIONS OF THE AMENDED AND RESTATED INTELLECTUAL PROPERTY SECURITY AGREEMENT (THE "AGREEMENT"), DATED JULY 16, 2012, EXECUTED BY CHERNE INDUSTRIES INCORPORATED, AN OHIO CORPORATION ("PLEDGOR"), IN FAVOR OF KEYBANK NATIONAL ASSOCIATION, AS COLLATERAL AGENT FOR THE SECURED CREDITORS, AS DEFINED IN THE AGREEMENT (TOGETHER WITH ITS SUCCESSORS AND ASSIGNS, "COLLATERAL AGENT"). BY SIGNING IN THE SPACE PROVIDED BELOW, THE UNDERSIGNED OFFICER OF COLLATERAL AGENT CERTIFIES THAT AN EVENT OF DEFAULT, AS DEFINED IN THE AGREEMENT, HAS OCCURRED AND IS CONTINUING AND THAT COLLATERAL AGENT HAS ELECTED TO TAKE POSSESSION OF THE COLLATERAL, AS DEFINED BELOW, AND TO RECORD THIS DOCUMENT WITH THE UNITED STATES PATENT AND TRADEMARK OFFICE OR THE UNITED STATES COPYRIGHT OFFICE, AS APPLICABLE. UPON RECORDING OF THIS DOCUMENT WITH THE UNITED STATES PATENT AND TRADEMARK OFFICE OR THE UNITED STATES COPYRIGHT OFFICE, AS APPLICABLE, THIS LEGEND SHALL CEASE TO HAVE ANY FORCE OR EFFECT.

KEYBANK NATIONAL ASSOCIATION
as Collateral Agent

By: _____
Name: _____
Title: _____

ASSIGNMENT

WHEREAS, CHERNE INDUSTRIES INCORPORATED, an Ohio corporation ("Pledgor"), is the owner of the Collateral, as hereinafter defined;

WHEREAS, Pledgor has executed an Intellectual Property Security Agreement, dated July 16, 2012 (as the same may from time to time be amended, restated or otherwise modified, the "Agreement"), in favor of KEYBANK NATIONAL ASSOCIATION, as Collateral Agent for the Secured Creditors, as defined in the Agreement (together with its successors and assigns, "Collateral Agent"), pursuant to which Pledgor has granted to Collateral Agent, for the benefit of the Secured Creditors, a security interest in the Collateral as security for the Secured Creditor Obligations, as defined in the Agreement;

WHEREAS, the Agreement provides that the security interest in the Collateral is effective as of the date of the Agreement;

WHEREAS, the Agreement provides that this Assignment shall become effective upon the occurrence and during the continuance of an Event of Default, as defined in the Agreement, and Collateral Agent's election to take actual title to the Collateral;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, Pledgor, its successors and assigns, subject to the limitations stated in the paragraph immediately following, does hereby transfer, assign and set over unto Collateral Agent, for the benefit of the Secured Creditors, and their respective successors, transferees and assigns, all of Pledgor's existing and future right, title and interest in, to and under (a) patents, patent registrations, patent applications, trademarks, trademark registrations, trademark applications, service marks, trade names, and copyright registrations, whether federal, state or foreign; (b) common law trademark rights, copyrights, improvements and inventions; (c) renewals, continuations, extensions, reissues and divisions of any of the foregoing; (d) rights to sue for past, present and future infringements or any other commercial tort claims relating to any of the foregoing; (e) all licenses and all income, revenue and royalties with respect to any licenses, whether registered or unregistered, and all other payments earned under contract rights, relating to any of the foregoing; (f) all general intangibles and all intangible intellectual or similar property of Pledgor connected with and symbolized by any of the foregoing; (g) goodwill associated with any of the foregoing; (h) all payments under insurance, including the returned premium upon any cancellation of insurance, (whether or not Collateral Agent or any Secured Creditor is the loss payee thereof) or any indemnity, warranty or guaranty payable by reason of loss or damage to or otherwise with respect to any of the foregoing; and (i) Proceeds of any of the foregoing (collectively, the "Collateral"), including, but not limited to, the Collateral listed on Schedule 1 hereto that is (i) registered in the United States Copyright Office in Washington, D.C., or (ii) registered in the United States Patent and Trademark Office in Alexandria, Virginia. or that is the subject of pending applications in the United States Patent and Trademark Office.

This Assignment shall be effective only upon certification of an authorized officer of Collateral Agent, as provided above, that (a) an Event of Default, as defined in the Agreement, has occurred and is continuing, and (b) Collateral Agent, on behalf of the Secured Creditors, has elected to take actual title to the Collateral.

IN WITNESS WHEREOF, the undersigned has caused this Agreement to be executed by its duly authorized officer on July 16, 2012.

CHERNE INDUSTRIES INCORPORATED

By: _____

Name: _____

Title: _____