FORM PTO-1618A Expires 06/30/99 OMB 0651-0027



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Conveying Party  Mark if additional names of conveying parties attached Execution Date Month Day Year							
Name SUMMIT COATING TECHNOLOGIES LLC 8 31 98							
Formerly							
Individual General Partnership Limited Partnership Corporation Association							
X Other LIMITED LIABILITY COMPANY							
X Citizenship/State of Incorporation/Organization ILLINOIS							
Receiving Party  Mark if additional names of receiving parties attached							
Name LASALLE NATIONAL BANK							
DBA/AKA/TA							
Composed of							
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Correspondent Name and Address Area Code and Telephone Number (312) 876-1700						
Name	JANET A. STIVEN					
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JANET A. S		Garret a Securen	9/10/98			
Name	of Person Signing	Signature	Date Signed			

**TRADEMARK REEL: 1786 FRAME: 0956** 

### TRADEMARK SECURITY AGREEMENT (U.S. REGISTRY)

This Trademark Security Agreement ("Security Agreement") entered into by and between SUMMIT COATING TECHNOLOGIES LLC an Illinois limited liability company ("Pledgor"), and LASALLE NATIONAL BANK, a national banking association, (the "Bank"), in connection with the Guaranty (as hereinafter defined). Terms not otherwise defined herein shall have the meanings given in the Guaranty.

WHEREAS, the Bank intends to extend certain financial accommodations to Advance Dial Company (the "Borrower") pursuant to a certain Amended and Restated Loan and Security Agreement between the Bank and Borrower dated as of November 4, 1994, as amended through and including the date hereof, as it may be further amended from time to time (the "Loan Agreement"); and

WHEREAS, in connection with the extension of such financial accommodations pursuant to the Loan Agreement, the Bank has required the execution and delivery by Pledgor of a Corporate Guaranty dated as of even date herewith (the "Guaranty") and is desirous of acquiring a security interest in Borrower's Trademark Rights as defined below, subject to the terms and conditions set forth hereinbelow;

WHEREAS, the Pledgor represents that it now possesses the sole and complete ownership rights to the Trademark Rights to be secured by this Security Agreement and that it has not granted a security interest or otherwise pledged, managed, transferred, assigned or licensed any part of its rights in said Trademark Rights to any party other than the Bank.

NOW, THEREFORE, in order to induce the Bank to consummate the financial accommodations provided for in the Loan Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Pledgor does hereby agree with Bank as follows:

Section 1.01. Grant of Security Interest. Pledgor hereby grants a first priority security interest to Bank, its successors and assigns, in the entire right, title, and interest of Pledgor in and to the following "Trademark Rights":

All trademarks, trademark registrations and trademark applications and the goodwill underlying those trademarks of the Pledgor, including but not limited to those set forth in Exhibit 1 and (a) any similar marks or amendments, modifications and renewals thereof and the goodwill represented by those trademarks thereon and any legal equivalent in a foreign country for the full term or terms for which the same may be granted; (b) all rights to income, royalties, profits, damages, or other rights relating to said trademarks including the right to sue for past, present or future infringement; and (c) any other rights and benefits relating to said trademarks including any rights as a licensor or licensee of said trademark ("Trademarks") subject to termination only if: (i) all "Guaranteed Obligations" (as defined

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TRADEMARK REEL: 1786 FRAME: 0957 in the Guaranty) of Pledgor are satisfied and paid as and when due and (ii) there shall have been terminated all commitments of Bank to any party arising under the Loan Agreement: otherwise, the same shall remain in full force and effect, it being intended by Pledgor and Bank that the Trademark Rights shall serve as collateral security to Bank for the payment and performance of such "Guaranteed Obligations" and, accordingly, that this instrument shall be subject to the terms of the Guaranty and the Loan Agreement and all related security agreements with respect to the "Collateral" (as defined in the Loan Agreement), which terms are herein incorporated by reference and made a part hereof.

Notwithstanding the foregoing, unless and until Bank exercises the rights and remedies accorded to it under the Guaranty and by law with respect to the realization upon its security interest in the Trademark Rights, Pledgor shall continue to own, and may use and enjoy, the Trademark Rights in connection with its business operations, but only in a manner consistent with the preservation of their current substance, validity, registration and the collateral assignment herein contained.

Section 2.01. No Liens, etc. The Pledgor agrees that it will not, without the prior written consent of the Bank, assign or transfer, pledge, mortgage, license or allow a security interest or lien to be taken by anyone other than the Bank in said Trademarks or taken any other acts which are contrary to or inconsistent with the rights granted to the Bank in this Security Agreement and will not cease the use of any Trademark or take any action or fail to take any action which will result in the cancellation or expiration of any of the Trademark registrations covered by this Security Agreement without the prior written agreement of the Bank.

Section 3.01. Pledgor's Obligation to Maintain and Enforce Rights. The Pledgor further agrees that it has the obligation, at its own cost, unless otherwise consented to in writing by the Bank:

- (1) To take all actions necessary to properly maintain and renew all registrations for Trademarks which are or may become subject to the Security Agreement for the full term or terms allowed by law including but not limited to the appropriate and timely payment of any required fees and the appropriate and timely filing of any documents or declarations necessary to maintain and renew said registrations for Trademarks (including the filing of a declaration of incontestability under §15 of the United States Trademark Act where possible) which may be necessary or appropriate under applicable law.
- (2) To file new applications to register and protect under applicable law all Trademarks acquired by the Pledgor for which applications have not previously been filed or to take all other actions necessary to cause registrations for Trademarks to be issued as a result of said applications.
- (3) To protect such Trademarks from infringement, unfair competition or dilution or dilution or damage by all appropriate actions including the commencement of legal action

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to prevent and recover damages for said infringement and to defend such Trademarks from claims of infringement, unfair competition or damage including the defense of any legal actions making such claims.

Section 4.01. Reporting Requirements. The Pledgor agrees to provide written semiannual reports to the Bank informing it of the status of all Trademarks subject to this Security Agreement including any new trademark registrations, trademark applications or related licenses.

Section 5.01. After Acquired Property. If the Pledgor shall obtain rights to or become entitled to the benefit of any new trademarks, registered trademarks, trademark applications or licenses before its obligations to the Bank as set forth in this Security Agreement have been satisfied in full, the provisions of this Security Agreement shall automatically apply thereto and the Borrower hereby authorizes the Bank to modify or update this Security Agreement accordingly.

Section 6.01. Events of Default. The failure by the Pledgor to perform any of the terms or conditions of this Security Agreement or the terms and conditions of the Guaranty shall constitute a material default. Upon the occurrence of such a default and upon the receipt by the Pledgor of appropriate written notice from the Bank, the Pledgor hereby authorizes and grants a power of attorney to the Bank to take any action as may be deemed to be necessary with respect to said Trademarks including but not limited to the assignment of all said Trademarks from the Pledgor to the Bank. This right may be exercised in addition to any other rights and remedies which may be available under applicable law.

Section 7.01. Interpretation. This Security Agreement is subject to the terms and conditions of the Guaranty. Where any term in this Security Agreement may be inconsistent with any term in the Guaranty, the terms of the Guaranty shall control.

Section 8.01. No Waiver. The failure by the Bank to exercise any right under this Security Agreement shall not operate as a waiver thereof and shall not bar the Bank from continuing to exercise said rights in the future.

Section 9.01. Governing Law. The Security Agreement is to be governed by the law of the State of Illinois and is binding on the parties and their successors and assigns. The Pledgor may not assign nor transfer any part of its obligations under this Security Agreement either expressly or by operation of law without the written consent of the Bank.

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Section 10.01. Severability. The terms of this Security Agreement are severable. If any term shall be found to be invalid or unenforceable, it shall not affect the validity of the remaining terms.

IN WITNESS WHEREOF, Pledgor has caused this document to be executed as of the 3127 day of August, 1998.

SUMMIT COATING TECHNOLOGIES LLC

By:\_\_\_

Title:

Address of Pledgor (Assignor):

940 Industrial Drive Elmhurst, Illinois 60126

Address of Bank (Assignee):

135 South LaSalle Street Chicago, Illinois 60603 Attention: Sean Forrest

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# Exhibit 1

to

## Trademark Security Agreement (U.S. Registry)

1. Trademark "Summet" filed on March 16, 1998 with the U.S. Patent and Trademark Office as Serial # 75/450374

**RECORDED: 09/08/1998** 

TRADEMARK REEL: 1786 FRAME: 0961