

05-13-1999



101036691

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

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/AK/A/T/A

Composed of

Address (line 1)

Address (line 2)

Address (line 3) City State/Country Zip Code

Individual General Partnership Limited Partnership 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.)

Corporation Association

Other

Citizenship/State of Incorporation/Organization

FOR OFFICE USE ONLY

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

TRADEMARK

REEL: 001899 FRAME: 0185

12.21.98

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)

<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"/>

Registration Number(s)

<input type="text"/>	<input type="text"/>	<input type="text"/>
SEE ATTACHMENT	<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.

LARRY MCKEOWN

Name of Person Signing

[Signature]

Signature

5-3-99

Date Signed

SCHEDULE A

TRADEMARKS

SGL CARBON COMPOSITES, INC.

See Attachment.

Hitco Acquisition Corp.

None.

COUNTRY	MARK	REG. NO.	AFFIDAVIT	RENEWAL
CANADA	CHAPARRAL	183,808		06/16/2002
CANADA	REFRASIL	17,845,446		01/15/1998
FRANCE	HITCO	1,069,974		10/04/1998
GR. BRITAIN	REFRASIL	724,572		12/07/2002
GR. BRITAIN	REFRASIL	730,627		05/26/2003
ITALY	HITCO	239,976		9/26/1998
USA	CERACARB	1,873,848	01/17/2001	01/17/2005
USA	FABRISIL	1,219,965		12/14/2002
USA	HI-TEX	1,089,223		04/11/1998
USA	HITCO	882,332		EXPIRED
USA	HITCO-C	810,683		07/05/2006
USA	HITCO-C & DESIGN	794,247		08/17/2005
USA	HITCO-G	810,684		07/05/2006
USA	HITCORE	871,590		06/24/2009
USA	PARSONS	741,737		12/04/2002
USA	PARSONS & DESIGN	741,736		12/04/2002
USA	PETRO-SAVER	1,139,611		09/16/2000
USA	REFRASIL	695,740		04/05/2000
USA	CERI	1,274,246		04/17/2004
USA	REFRASIL	694,106		03/08/2000
USA	REFRASIL	694,429		03/15/2000
USA	REFRASIL & DESIGN	429,707		05/13/2007
USA	REFRASIL & DESIGN	624,549		04/03/2006
USA	ROSETTE	835,039		09/12/2007
USA	SEMICARB	1,858,087		10/11/2004

RECORDED
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12-31-1998

U.S. DEPARTMENT OF COMMERCE
Patent and Trademark Office



MRO
12-21-98
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[Handwritten initials]

To the Honorable Commissioner of Patents and Trademarks

100932529

original documents or copy thereof.

1. Name of conveying party(ies):

SGL Carbon Composites, Inc.
1600 W. 135th Street
Gardena, CA 90249



12-21-1998

U.S. Patent & TMO/TM Mail Rcpt Dt. #26

- Individual(s)
- General Partnership
- Corporation-State
- Other _____
- Association
- Limited Partnership

Additional name(s) of conveying party(ies) attached? Yes No

3. Nature of conveyance:

- Assignment
- Security Agreement
- Other _____
- Merger
- Change of Name

Execution Date: 12/17/98

Name and address of receiving party(ies):

Citicorp U.S.A., Inc. as Agent

Name: _____

Internal Address: _____

Street Address: 399 Park Avenue

City: New York State: NY ZIP: 10043

- Individual(s) citizenship _____
- Association _____
- General Partnership _____
- Limited Partnership _____
- Corporation-State _____
- Other _____

If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No

(Designations must be a separate document from Assignment)

Additional name(s) & address(es) attached? Yes No

4. Application number(s) or registration number(s):

A. Trademark Application No.(s)

B. Trademark registration No.(s)

=See attached

Additional numbers attached? Yes No

5. Name and address of party to whom correspondence concerning document should be mailed:

Name: Olga Sandler

Internal Address: _____

12/30/1998 DNGUYEN 00000274 183808

01 FC:481 40.00 DP
02 FC:482 450.00 DP

Street Address: c/o Weil, Gotshal & Manges, LLP

767 Fifth Avenue

City: New York State: NY ZIP: 10153

6. Total number of applications and registrations involved: 19

7. Total fee (37 CFR 3.41):..... \$ 490.00

- Enclosed
- Authorized to be charged to deposit account

8. Deposit account number:

(Attach duplicate copy of this page if paying by deposit account)

DO NOT USE THIS SPACE

12/30/1998 DNGUYEN 00000273 4501037

01 FC:501 VOID 1800.00 DP

9. 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.

LARRY MCKEOWN
Name of Person Signing

[Signature]
Signature

12/17/98
Date

Total number of pages comprising cover sheet:

TRADEMARK

INTELLECTUAL PROPERTY SECURITY AGREEMENT

THIS INTELLECTUAL PROPERTY SECURITY AGREEMENT, dated December 17, 1998 (this "Agreement"), is made by the grantors listed on the signature pages hereof (each, a "Grantor" and collectively, the "Grantors"), having their principal place of business at the addresses listed on the signature page hereof, in favor of Citicorp USA, Inc., as agent for the financial institutions party to the Loan Agreement referred to below (in such capacity, the "Agent").

W I T N E S S E T H :

WHEREAS, SGL CARBON COMPOSITES, INC. (the "Borrower") has entered into a Loan Agreement, dated as of December 17, 1998, with the financial institutions party thereto and the Agent (said agreement, as it may be amended, supplemented or otherwise modified from time to time, being the "Loan Agreement"; the terms defined therein and not otherwise defined herein being used herein having the meanings therein assigned); and

WHEREAS, the Borrower and the other Grantors are members of the same consolidated group of companies and are engaged in related businesses, and each other Grantor will derive direct and indirect economic benefit from the Loans and Letters of Credit;

WHEREAS, it is a condition precedent to the making of the Loans and the issuance of the Letters of Credit that the Grantors shall have entered into this Agreement;

NOW, THEREFORE, in consideration of the premises and in order to induce the Lenders to make the Loans and the Issuers to issue the Letters of Credit, the Grantors hereby agree as follows:

1. Defined Terms. The following terms have the following meanings (such meanings being equally applicable to both the singular and the plural forms of the terms defined):

"Agreement" means this Intellectual Property Security Agreement, as the same may from time to time be amended, supplemented or otherwise modified,

and shall refer to this Intellectual Property Security Agreement as in effect on the date such reference becomes operative.

“Copyrights” means copyrights, registrations and applications therefor, and any and all (i) renewals and extensions thereof, (ii) income, royalties, damages and payments now and hereafter due or payable or both with respect thereto, including, without limitation, damages and payments for past or future infringements or misappropriations thereof, (iii) rights to sue for past, present and future infringements or misappropriations thereof, and (iv) all other rights corresponding thereto throughout the world.

“Intellectual Property Collateral” has the meaning assigned to such term in Section 2 of this Agreement.

“Licenses” means license agreements in which the Grantors grant or receive a grant of any interest in Copyrights, Trademarks, Patents and Trade Secrets (all as defined herein) and other intellectual property and any and all (i) renewals, extensions, supplements, amendments and continuations thereof, (ii) income, royalties, damages and payments now and hereafter due or payable to the Grantors with respect thereto, including, without limitation, damages and payments for past or future violations or infringements or misappropriations thereof, and (iii) rights to sue for past, present and future violations or infringements thereof.

“Patents” means patents and patent applications along with any and all (i) inventions and improvements described and claimed therein, (ii) reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof, (iii) income, royalties, damages and payments now and hereafter due and/or payable to the Grantors with respect thereto, including, without limitation, damages and payments for past or future infringements or misappropriations thereof, (iv) rights to sue for past, present and future infringements or misappropriations thereof, and (v) all other rights corresponding thereto throughout the world.

“Secured Obligations” means (i) in the case of the Borrower, the Obligations and (ii) in the case of each other Grantor, all obligations, now existing or hereafter arising, of such Grantor under the Affiliate Guarantee, this Agreement and all other Loan Documents to which such Grantor is a party.

“Trademarks” means trademarks (including service marks and trade names, whether registered or at common law), registrations and applications therefor,

and the entire product lines and goodwill of each Grantor's business connected therewith and symbolized thereby, together with any and all (i) renewals thereof, (ii) income, royalties, damages and payments now and hereafter due or payable or both with respect thereto, including, without limitation, damages and payments for past or future infringements or misappropriations thereof, (iii) rights to sue for past, present and future infringements or misappropriations thereof, and (iv) all other rights corresponding thereto throughout the world.

“Trade Secrets” means trade secrets, along with any and all (i) income, royalties, damages and payments now and hereafter due and/or payable to the Grantors with respect thereto, including, without limitation, damages and payments for past or future infringements or misappropriations thereof, (ii) rights to sue for past, present and future infringements or misappropriations thereof, and (iii) all other rights corresponding thereto throughout the world.

The words “herein,” “hereof” and “hereunder” and other words of similar import refer to this Agreement as a whole, including the Exhibits and Schedules hereto, and not to any particular section, subsection or clause contained in this Agreement.

2. Grant of Security Interest in Intellectual Property Collateral. In order to secure the complete and due and punctual payment of all of the Secured Obligations, the Grantors hereby grant and convey to the Agent on behalf and for the ratable benefit of the Secured Parties as collateral security, a continuing security interest in all of the Grantors' entire right, title and interest in and to intellectual property rights now owned or existing and hereafter acquired or arising in the following assets, subject to the provisos set forth below in this Section 2 (all of which being hereinafter referred to as the “Intellectual Property Collateral”):

(a) all Trademarks of each Grantor, including, without limitation, the Trademarks listed on Schedule A hereto;

(b) all Copyrights of each Grantor, including, without limitation, the Copyrights listed on Schedule B hereto;

(c) all Licenses of each Grantor, including, without limitation, the Licenses listed on Schedule C hereto;

(d) all Patents of each Grantor, including, without limitation, the Patents listed on Schedule D hereto;

(e) all Trade Secrets of each Grantor; and

(f) the entire goodwill of each Grantor's business connected with the use of and symbolized by the Trademarks;

provided, however, that nothing hereunder constitutes or shall be deemed to constitute the grant of a security interest in favor of the Agent with respect to any Intellectual Property Collateral to the extent prohibited by applicable law.

3. Representations and Warranties. The Grantors hereby represent and warrant that:

(a) The Trademarks, Copyrights, Licenses, Patents and Trade Secrets are subsisting and have not been adjudged invalid or unenforceable, in whole or in part;

(b) Each Grantor has the full right, power and authority to enter into this Agreement and to grant all of the right, title and interest herein granted;

(c) The execution, delivery and performance by each Grantor of this Agreement do not and will not contravene any contractual restriction binding on or affecting the Grantors or any of their respective properties;

(d) This Agreement has been duly executed and delivered by each Grantor and is a legal, valid and binding obligation of the Grantors enforceable against the Grantors in accordance with its terms;

(e) The Grantors have not previously assigned, transferred, conveyed or otherwise encumbered such right, title and interest;

(f) Each Grantor is the sole and exclusive owner of its Intellectual Property Collateral, all of which is free and clear of any Liens, charges and encumbrances, and no other Person has any claim with respect to the Intellectual Property Collateral whatsoever;

(g) Schedules A, B, C and D attached hereto list all Trademarks, Copyrights, and Licenses and Patents related to the Intellectual Property Collateral;

(h) The Intellectual Property Collateral of each Grantor is sufficient for the purpose of producing goods, performing services and otherwise carrying on the respective businesses of the each Grantor;

(i) To the best of the Grantors' knowledge, the Intellectual Property Collateral does not infringe any rights owned or possessed by any third party;

(j) There are no claims, judgments or settlements to be paid by the Grantors or pending claims or litigation relating to the Intellectual Property Collateral, except as set forth on Schedule E hereto;

(k) No effective security agreement, financing statement, equivalent security or lien instrument or continuation statement covering all or any part of the Intellectual Property Collateral is on file or of record in any public office, except such as may have been filed by the Grantors in favor of the Agent for the benefit of itself and the Secured Parties pursuant to this Agreement or such as relate to other Permitted Liens; and

(l) When all appropriate filings have been made with the United States Patent and Trademark Office and the United States Copyright Office, this Agreement will be effective to create a valid and continuing first priority lien on and first priority security interest in the Intellectual Property Collateral in favor of the Agent for the benefit of itself and the Secured Parties to the extent such lien can be perfected by filing with the United States Patent and Trademark Office and the United States Copyright Office. All action necessary or desirable to protect and create such security interest in each item of the Intellectual Property Collateral has been duly taken.

4. Rights and Remedies; Application of Monies.

(a) Upon the occurrence and during the continuation of a Default or an Event of Default, the Agent may to the fullest extent permitted by applicable law, without prior notice to Grantors, and without advertisement, hearing or process of law of any kind, (i) exercise any and all rights as beneficial and legal owner of the Intellectual Property Collateral, including, without limitation, any and all consensual rights and powers with respect to the Intellectual Property Collateral, and (ii) sell or

assign or grant a license or franchise to use, or cause to be sold or assigned or granted a license or franchise to use, any or all of the Intellectual Property Collateral, in each case, free of all rights and claims of the Grantors therein and thereto (but subject, in each case, to the rights of others heretofore granted or created by the Grantors in the ordinary course of business). Upon the occurrence and during the continuation of an Event of Default, the Agent may (i) sell or assign the Intellectual Property Collateral, or any part thereof, for cash upon credit as the Agent may deem appropriate or (ii) grant licenses or franchises or both to use the Intellectual Property Collateral on such terms and conditions as the Agent shall determine. In connection therewith, the Agent shall have the right to impose such limitations and restrictions on the sale or assignment of the Intellectual Property Collateral as the Agent may deem to be necessary or appropriate to comply with any law, rule or regulation (Federal, state, local or that of a foreign country) having applicability to any such sale and requirements for any necessary governmental approvals.

(b) It is expressly understood that, anything herein to the contrary notwithstanding, each Grantor shall remain liable under each of its Contracts (as such term is defined in the Borrower Security Agreement and the Affiliate Security Agreement) and Licenses to observe and perform all the conditions and obligations to be observed by it thereunder and each Grantor shall perform all of its duties and obligations thereunder, all in accordance with and pursuant to the terms and provisions of each such Contract or License. Neither Agent nor any Secured Party shall have any obligation or liability under any Contract or License by reason of or arising out of this Agreement or the granting to Agent and the Secured Parties of a security interest herein, nor shall Agent or any Secured Party be required or obligated in any manner to perform or fulfill any of the obligations of the Grantors under or pursuant to any Contract or License, or to make any payment, or to make any inquiry as to the nature or the sufficiency of any payment received by it or the sufficiency of any performance by any party under any Contract or License, or to present or file any claim, or to take any action to collect or enforce any performance or the payment of any amounts which may have been assigned to it or to which it may be entitled at any time or times.

(c) Each Grantor hereby expressly waives, to the fullest extent permitted by applicable law, any and all notices, advertisements, hearings or process of law in connection with the exercise by the Agent of any of its rights and remedies hereunder. The Agent shall not be liable to any Person for any incorrect or improper payment made pursuant to this Section 4, in the absence of gross negligence or willful misconduct.

(d) Notwithstanding any provisions of this Agreement to the contrary, if, after giving effect to any sale, transfer, assignment or other disposition of any or all of the Intellectual Property Collateral pursuant hereto and after the application of the proceeds hereunder to the Secured Obligations, any Secured Obligations remain unpaid or unsatisfied, Grantors shall remain liable for the unpaid and unsatisfied amount of such Secured Obligations.

(e) This Agreement is made to provide for and secure repayment of the Secured Obligations of the Grantors in the order set forth in the Borrower Security Agreement.

(f) Notwithstanding anything in Section 4(e) to the contrary, the Agent may distribute the proceeds of the Intellectual Property Collateral in such order as the Majority Lenders may elect.

(g) Upon the declaration of an Event of Default, each Grantor agrees that it will promptly (and in any event within three Business Days) deliver to the Agent or its designee an assignment of the Intellectual Property Collateral, duly executed by such Grantor, in substantially the form of Schedule F annexed hereto. Each Grantor agrees that the Agent may duly execute such an assignment as each Grantor's true and lawful attorney-in-fact pursuant to Section 16 hereof.

5. Security Interest Absolute. All rights of the Agent and the Secured Parties and security interests granted herein, and all obligations of the Grantor pursuant hereto, shall be absolute and unconditional irrespective of:

(a) the lack of validity or enforceability of any provisions in the Loan Agreement, the Notes or any other Loan Document or any other agreement or instrument relating thereto;

(b) any change in the time, manner or place of payment of, or in any other term of, all or any of the Secured Obligations, or any other amendment or waiver of or any consent to any departure from the Loan Agreement, the Notes or any other Loan Document;

(c) any exchange, release or non-perfection of any Collateral other than the Intellectual Property Collateral, or any release or amendment or waiver of or consent to departure from any guaranty, for all or any of the Secured Obligations; or

(d) any other circumstance which might otherwise constitute a defense available to, or a discharge of, the Grantor or a third-party grantor.

6. Termination of Security Interest. This Agreement, and the security interests created or granted hereby or thereby, shall terminate when the later of the following shall have occurred: (a) the date that the last Secured Obligations shall have been fully paid in cash and the Loan Agreement has been terminated and (b) the date as of which the last of the Commitments and any other obligations that any of the Secured Parties have under any of the Loan Documents or related documents and instruments have terminated, at which time the Agent (without recourse upon, or any warranty whatsoever by, the Agent) shall execute and deliver to the Grantors, for filing in each office in which any security agreement, notice or other filing, or any part thereof, shall have been filed, an instrument releasing the Agent's security interest in the Intellectual Property Collateral, and such other documents and instruments to terminate any security interest of the Agent granted hereby as the Grantors may reasonably request, all without recourse upon, or warranty whatsoever by, the Agent, except that the same shall be free and clear of any Liens created by or in respect of the Agent, and at the cost and expense of the Grantors.

7. Use and Protection of Intellectual Property Collateral. (a) Notwithstanding anything to the contrary contained herein, unless an Event of Default has occurred and is continuing, the Grantors may continue to exploit, license, franchise, use, enjoy and protect (whether in the United States of America or any foreign jurisdiction) the Intellectual Property Collateral in the ordinary course of business and the Agent shall from time to time execute and deliver, upon written request of the Grantors and at the Grantors' sole cost and expense, any and all instruments, certificates or other documents, in the form so requested, necessary or appropriate in the judgment of the Grantors to enable the Grantors to do so.

(b) In order to more fully protect the Intellectual Property Collateral in respect of which security interests have been granted to the Agent by the Grantors hereunder, the Grantors may hereafter transfer to the Agent such additional rights, privileges, marks and licenses as the Grantors may in their discretion determine to be necessary and appropriate to the continuing exploitation, licensing, use, enjoyment and protection (whether in the United States of America or any foreign jurisdiction) of the Intellectual Property Collateral.

8. Duties of Grantor. The Grantor shall have the duty to preserve and maintain all rights in the Intellectual Property Collateral in respect of which a failure

to be able to continue to use the same would have a Material Adverse Effect in a manner substantially consistent with its present practices. The Grantors shall take all action reasonably requested by the Agent to register, record and/or perfect the Agent's rights hereunder. Such duties shall include, but not be limited to, the following:

(a) Each Grantor shall take appropriate action at its expense to halt the infringement of any of the Intellectual Property if such infringement would have a Material Adverse Effect on the value of the Intellectual Property or such Grantor's ability to use the Intellectual Property; and

(b) Each Grantor shall amend, modify, terminate or waive any provisions of any other contract to which such Grantor is a party in any manner which might Materially Adversely Effect the Intellectual Property.

9. Payment of Obligations. Each Grantor will pay promptly when due all taxes, assessments and governmental charges or levies imposed upon the Intellectual Property Collateral or in respect of its income or profits therefrom and all claims of any kind, except that no such charge need be paid if (i) such non-payment does not involve any danger of forfeiture or loss of any of the Intellectual Property Collateral or any interest therein and (ii) such charge is adequately reserved against in accordance with and to the extent required by GAAP.

10. The Agent's Right to Sue. Whenever an Event of Default shall have occurred and be continuing, the Agent shall have the right, but shall in no way be obligated, to bring suit in its own name to protect or enforce the Trademarks, Copyrights, Licenses, Patents and Trade Secrets, and, if the Agent shall commence any such suit, the Grantors shall, at the request of the Agent, do any and all lawful acts and execute any and all proper documents required by the Agent in aid of such protection or enforcement.

11. Maintenance of Records. Each Grantor will keep and maintain at its own cost and expense satisfactory and complete records of the Intellectual Property Collateral, including, without limitation, a record of all payments received and all credits granted with respect to the Intellectual Property Collateral and all other dealings with the Intellectual Property Collateral. Each Grantor will mark its books and records pertaining to the Intellectual Property Collateral to evidence this Agreement and the security interests granted hereby. For the Agent's and the Secured Parties' further security, each Grantor agrees that the Agent and the Secured Parties

shall have a special property interest in all of their respective books and records pertaining to the Intellectual Property Collateral and, upon the occurrence and during the continuation of any Event of Default, each Grantor shall deliver and turn over any such books and records to the Agent or its representatives at any time on demand of the Agent. Prior to the occurrence of an Event of Default and upon reasonable notice from the Agent, the Grantors shall permit any representative of the Agent to inspect such books and records as set forth in Section 12.

12. Right of Inspection. Upon reasonable notice to the Grantors (unless an Event of Default has occurred and is continuing, in which case no notice is necessary), the Agent shall at all times have full and free access during normal business hours to all the books and records and correspondence of the Grantors, and the Agent or its representatives may examine the same, take extracts therefrom and make photocopies thereof, and the Grantors agree to render to the Agent, at the Grantors' cost and expense, such clerical and other assistance as may be reasonably requested with regard thereto.

13. No Waiver; Cumulative Remedies. No failure on the part of the Agent to exercise, and no delay on the part of the Agent in exercising, any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or remedy by the Agent preclude other or further exercise of any other right, power or remedy. All remedies hereunder are cumulative and are not exclusive of any other remedies that may be available to the Agent whether at law, in equity or otherwise.

14. Notices, Etc. All notices and other communications provided for hereunder shall be in writing (including telegraphic, telex, telecopy, or cable communication) and mailed, telegraphed, telexed, telecopied, cabled or delivered by hand, if to the Grantors, addressed to each Grantor at the address indicated on the signature pages hereto, and if to any Secured Party, addressed to it at the address of such Secured Party specified in the Loan Agreement, or, as to each party, at such other address as shall be designated by such party in a written notice to each other party complying as to delivery with the terms of this Section. All such notices and other communications shall, when mailed, telegraphed, telexed, telecopied, cabled or delivered, be effective when deposited in the mails, delivered to the telegraph company, confirmed by telex answerback, telecopied with confirmation or receipt, delivered to the cable company, or delivered by hand to the addressee or its agent, respectively.

15. Expenses of Collection. The Grantors hereby agree to pay all expenses of the Agent, including reasonable attorneys' fees, incurred with respect to the collection of any of the Intellectual Property Collateral and the enforcement of the respective rights of the Agent and the Secured Parties hereunder (together with interest thereon from and after the date of payment of such expenses by the Agent in accordance with the rate then in effect for Loans under the Loan Agreement), which expenses together with interest thereon as aforesaid shall constitute Secured Obligations.

16. Agent Appointed Attorney-in-Fact. The Grantors hereby irrevocably constitute and appoint the Agent and any officer or agent thereof, with full power of substitution, as the Grantors' true and lawful attorney-in-fact, for the purpose of taking such action and executing agreements, instruments and other documents, in the name of the Grantor or otherwise, not inconsistent with the express provisions of this Agreement, as the Agent may deem necessary or advisable to accomplish the purposes hereof, which appointment is an agency coupled with an interest and is irrevocable until payment in full of all Secured Obligations. The Agent agrees that until the occurrence and continuation of an Event of Default, it will forbear from exercising the power of attorney or any rights granted to the Agent pursuant to this Section 16.

17. Governing Law; Binding Effect; Assignment. This Agreement shall be governed by and construed in accordance with the law of the State of New York. This Agreement shall be binding upon the Grantors and the Agent and their respective successors and assigns and shall inure to the benefit of the Grantors and the Agent and their respective successors and assigns; provided, however, that the Grantors may not assign their rights or obligations hereunder or in connection herewith or any interest herein (voluntarily, by operation of law or otherwise) without the prior written consent of the Agent. Except as provided in Section 2, no other Person (including, without limitation, any other creditor of Grantor) shall have any interest herein or any right or benefit with respect hereto and this Agreement shall not be construed so as to confer any right or benefit upon any Person other than the parties to this Agreement and each of their respective successors and assigns.

18. Further Indemnification. Each Grantor agrees to pay, and save the Agent harmless from, any and all liabilities with respect to, or resulting from any delay in paying (other than a delay caused by the gross negligence or willful misconduct of the Agent), any and all excise, sales or other similar taxes which may

be payable with respect to any of the Intellectual Property Collateral or in connection with any of the transactions contemplated by this Agreement.

19. Agent May Perform. If any Grantor fails to perform any agreement contained herein, the Agent may, but shall not be obligated to, itself perform, or cause performance of, such agreement, and the expenses of the Agent incurred in connection therewith shall be payable by such Grantor pursuant to Section 15 hereof or, if not so paid, shall become Secured Obligations.

20. New Intellectual Property. In the event, prior to the time the Obligations have been paid in full, the Grantors shall (i) obtain any rights to or interests in any new inventions whether or not patentable, patents, patent applications or any reissue, divisions, continuations, renewals, extensions, or continuations-in-part of any patent or improvement of any patent, trademarks, trade names, service marks, and registrations or applications therefor, copyrights and registrations or applications therefor, or licenses, or (ii) become entitled to the benefit of any patent, copyright or trademark, or any registrations or applications therefor, license, license renewal, trade secret or copyright renewal, the provisions of this Agreement shall automatically apply thereto and anything enumerated in clause (i) or (ii) of this Section 20 shall constitute Intellectual Property Collateral. The Grantors agree, promptly following the written request by the Agent, to amend this Agreement by amending any or all of Schedules A, B, C, D and E, as applicable, to include any such future trademarks, trademark registrations, trademark applications, trade names, service marks, copyrights and licenses which would be Intellectual Property Collateral, and to immediately prepare, execute and record with all appropriate foreign country, Federal, state and/or local offices and authorities a Security Agreement for any such new Intellectual Property Collateral, in form and substance similar to this Agreement, and to deliver to the Agent reasonable proof of such recordation.

21. Waiver of Jury Trial. The Grantors and the Agent hereby irrevocably waive to the fullest extent permitted by law any and all right to trial by jury of (a) any dispute arising under, out of or in connection with this Agreement, or (b) any other disputes between the Grantors and any Secured Party or the Agent arising out of or in connection with such Lender's or Agent's actions or status as either (x) a Lender to the Grantors under the Loan Agreement or (y) a beneficiary of the security interest granted hereby.

22. Amendments, Etc. No amendment or waiver of any provision of this Agreement, nor consent to any departure by the Grantors herefrom, shall in any

event be effective unless the same shall be in writing and signed by the Agent, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

23. Further Documentation. Each Grantor agrees that at any time and from time to time, at the expense of such Grantor, each Grantor will promptly execute and deliver such further instruments and documents, and take such further action, as may be necessary or desirable, or as the Agent may request, in order to perfect and protect any security interests granted or purported to be granted hereby or to enable the Agent to exercise and enforce the rights and remedies pursuant hereto with respect to any of the Intellectual Property Collateral.

24. Severability of Provisions. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

25. Section Titles. The Section titles contained in this Agreement are and shall be without substantive meaning or content of any kind whatsoever and are not part of this Agreement.

26. Execution in Counterparts. This Agreement may be executed in any number of counterparts, each of which counterparts, when so executed and delivered, shall be deemed to be an original and all of which counterparts, taken together, shall constitute one and the same Agreement.

27. Submission to Jurisdiction. (a) Any legal action or proceeding with respect to this Agreement or any document related hereto may be brought in the Bankruptcy Court or the courts of the State of New York or the United States of America for the Southern District of New York, and, by execution and delivery of this Agreement, each Grantor hereby accepts for itself and in respect of its property, generally and unconditionally, the jurisdiction of the aforesaid courts. Each Grantor hereby irrevocably, to the extent permitted by law, waives any objection, including, without limitation, any objection to the laying of venue or based on the grounds of forum non conveniens, which it may now or hereafter have to the bringing of any such action or proceeding in such respective jurisdictions and consents to the granting of such legal or equitable relief as is deemed appropriate by the court.

(b) Each Grantor irrevocably consents to the service of process of any of the aforesaid courts in any such action or proceeding by the mailing of copies thereof by registered or certified mail, postage prepaid, to the Grantor at its address provided herein, such service to become effective 30 days after such mailing.

(c) Nothing contained in this Section 27 shall affect the right of any Party to serve process in any other manner permitted by law or commence legal proceedings or otherwise proceed against any of the Grantors or any of the Grantors' property in any other jurisdiction.

28. Entire Agreement. This Agreement, together with all the other Loan Documents and all certificates and documents delivered hereunder or thereunder, embodies the entire agreement of the parties and supersedes all prior agreements and understandings relating to the subject matter hereof.

[signature pages follow]

IN WITNESS WHEREOF, each Grantor has caused this Agreement to be executed and delivered by its duly authorized officer, on the date first above written.

SGL CARBON COMPOSITES, INC.
a Delaware corporation

By: 

Name: LARRY MCKEOWN
Title: Vice President Finance
Treasurer

Address:
SGL Carbon Composites, Inc.
1600 W. 135th Street
Gardena, CA 90249-2506
Attn: Larry McKeown

SGL HITCO ACQUISITION CORP.,
a Delaware corporation

By: _____

Name:

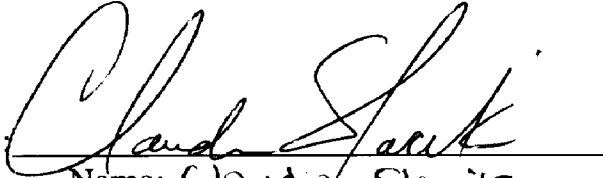
Title:

Address:

Accepted and Acknowledged:

CITICORP USA, INC., as Agent

By:



Name: Claudia Slacik

Title: V.P.

SCHEDULE B

COPYRIGHTS

SGL CARBON COMPOSITES, INC.

None.

Hitco Acquisition Corp.

None..

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SCHEDULE C

LICENSES

SGL CARBON COMPOSITES, INC.

See Attachment.

Hitco Acquisition Corp.

None.

SGL CARBON COMPOSITES, INC. PATENTS LICENSED FROM NASA

UNITED STATES PATENTS				
TITLE APPLN NO.	PATENT NO.	FILED	ISSUED	EXPIRATION DATE
LIGHT WEIGHT CARBON PISTON 729,767	4,683,809	5/2/85	8/4/87	5/2/05
COMPOSITE PISTON 890,683	4,736,676	6/30/86	4/12/88	6/30/06
LIGHTWEIGHT PISTON ARCHITECTURE 250,469	4,909,133	9/28/88	3/20/90	9/28/08
CARBON-CARBON CYLINDER BLOCK 845,652 (CONTINUATION OF 416,599)	5,769,046	4/25/97	6/23/98	4/25/17
METHOD OF MAKING A CARBON-CARBON CYLINDER BLOCK 652,736 (DIV OF 416,599)	5,687,634	5/23/96	11/18/97	5/23/16
INTEGRAL RIGN CARBON- CARBON PISTON 815,535	NOT ISSUED	3/12/97		
CARBON-CARBON PISTON ARCHITECTURES 805,195	NOT ISSUED	2/27/97		
PISTONS AND CYLINDERS MADE OF CARBON-CARBON COMPOSITES 808,290	NOT ISSUED	2/28/97		

SGL CARBON COMPOSITES, INC. PATENTS LICENSED FROM NASA

PCT APPLICATIONS

PCT/US97/04562 (CORRESPONDING TO U.S. SERIAL NO. 08/416,599)
CARBON-CARBON PISTON ARCHITECTURES
FILED: 3/6/97

PCT/US96/04724
CONCEPT FOR A RINGLESS CARBON-CARBON PISTON IN INTERNAL COMBUSTION ENGINES
FILED: 4/14/96

We do not have information regarding the national filings for the above referenced PCT applications.

FOREIGN PATENTS (CORRESPONDING TO U.S. PATENT NO. 4,736,676)

COUNTRY	TITLE	PATENT NO.	ISSUED
CANADA	COMPOSITE PISTON	1,289,022	9/17/91
FRANCE	COMPOSITE PISTON	2,602,273	2/4/94
JAPAN	COMPOSITE PISTON	1,974,671	9/27/95
KOREA	COMPOSITE PISTON	076050	8/5/94

**SGL CARBON COMPOSITES, INC. PATENTS LICENSED FROM
ARGONNE NATIONAL LABORATORY**

UNITED STATES PATENTS

TITLE APPLN NO.	FILED
ULTRA LOW FRICTION CARBON COMPOSITES FOR EXTREME TEMPERATURE APPLICATIONS 08/791,674	1/30/97

SCHEDULE D

PATENTS

SGL CARBON COMPOSITES, INC.

See Attachment.

Hitco Acquisition Corp.

None.

SGL CARBON COMPOSITES, INC. PATENT PORTFOLIO

CASE NO.	TITLE COUNTRY	PATENT/APPLN No.	EXPIRATION DATE	LICENSEE
88 P 2740	METHOD FOR INTRODUCING HEAT-SENSITIVE MATERIAL INTO A HOT ENVIRONMENT			
	UNITED STATES	4501037	04/11/03	
88 P 2740B	UNITED STATES	4617716	10/21/03	
88 P 2740	GREAT BRITAIN	2138041	03/30/04	
	WEST GERMANY	P34134727	04/10/04	
	FRANCE	8405626	04/10/04	
	JAPAN	1659461	04/11/04	
88 P 2758	FILL YARN REMOVAL APPARATUS			
	UNITED STATES	4497098	09/07/02	
88 P 2766	METHOD AND APPARATUS FOR PROVIDING A FLEXIBLE HEAT RESISTANT SPLICE OF OPPOSITE ELONGATED WEBS			
	GREAT BRITAIN	2138740B	03/30/04	
	FRANCE	8405625	04/10/04	
	WEST GERMANY	P34134719	04/10/04	
88 P 2767	METHOD OF PURIFYING PARTIALLY CARBONIZED PAN MATERIAL			
	UNITED STATES	4507272	05/09/03	
	GREAT BRITAIN	2,139,607	03/30/04	
	JAPAN	1994133	04/20/04	
88 P 2768-B	METHOD AND SYSTEM FOR PRODUCING CARBON FIBERS			
	UNITED STATES	4610860	10/13/03	
88 P 2768	METHOD AND SYSTEM FOR PRODUCING CARBON FIBER			
	KOREA	24095	04/07/02	
	GREAT BRITAIN	2184819	10/15/04	
	WEST GERMANY	P34351205	09/25/04	
	GREAT BRITAIN	2148866	10/15/04	
	FRANCE	8415803	10/15/04	
88 P 2776	METHOD OF MAKING SILICA YARN			
	GREAT BRITAIN	2094363B	03/11/02	

CASE NO.	TITLE COUNTRY	PATENT/APPLN No.	EXPIRATION DATE	LICENSEE
88 P 2788-C	METHOD OF REMOVING ALKALI AND ALKALINE EARTH METAL IMPURITIES FROM CARBONACEOUS MATERIAL			
	UNITED STATES	4388289	06/14/00	
88 P 2768-F	METHOD AND SYSTEM FOR PRODUCING CARBON FIBERS			
	UNITED STATES	5193996	03/16/10	
88 P 2732	CONTINUOUS FILAMENT GRAPHITE COMPOSITE ELECTRODES			
	UNITED STATES	4369104	01/18/00	ICI FIBERITE
88 P 2733	GRAPHITE COMPOSITE ELECTRODES			
	UNITED STATES	4265727	10/22/99	ICI FIBERITE
88 P 2734	BIAS FABRIC AND METHODS AND APPARATUS FOR MAKING SAME			
	UNITED STATES	4325999	11/23/99	
88 P 2748	THREE DIMENSIONAL THICK FABRICS AND METHOD AND APPARATUS FOR MAKING SAME			
	UNITED STATES	4331091	11/22/99	
88 P 2748-B	THREE DIMENSIONAL THICK FABRICS AND METHOD AND APPARATUS FOR MAKING SAME			
	UNITED STATES	4506611	03/26/02	
88 P 2749-B	FUSION LAMINATED HIGH TEMPERATURE FABRIC			
	UNITED STATES	4322464	03/30/99	ICI FIBERITE
88 P 2773	RETRACTING YARN TENSIONING MECHANISM FOR DISPENSING AN ELONGATED MEMBER			
	CANADA	1245616	11/29/05	
88 P 2818	MULTI-LAYER WOVEN FABRIC HAVING VARYING MATERIAL COMPOSITION THROUGH THE THICKNESS THEREOF			
	UNITED STATES	4922969	09/22/08	ADVANCED COMPOSITE PRODUCTS INC. & TEXTILE TECHNOLOGIES, INC.
88 P 2984	WOVEN MULTI-LAYER ANGLE INTERLOCK FABRICS AND METHODS OF MAKING SAME			
	UNITED STATES	4958663	08/15/08	ADVANCED COMPOSITE PRODUCTS INC. & TEXTILE TECHNOLOGIES, INC. (US Only)
	CANADA	1323286	10/19/2010	

CASE NO.	TITLE COUNTRY	PATENT/APPLN No.	EXPIRATION DATE	LICENSEE
89 P 3376	INTEGRALLY WOVEN MULTI-APERTURED, MULTI-LAYER ANGLE INTERLOCK FABRICS			
	UNITED STATES	5080142	04/06/09	ADVANCED COMPOSITE PRODUCTS INC. & TEXTILE TECHNOLOGIES, INC. (US Only)
	GERMANY	69023530.5	04/06/2010	
	FRANCE	0391745	04/06/2010	
	GREAT BRITAIN	0391745	04/06/2010	
92 P 6171	FLEXING/NON-SCOURED RAYON			
	UNITED STATES	08/218,892	PENDING APPLN	
	EUROPEAN PAT. OFFC	95914918.8	PENDING APPLN	
92 P 6277	HIGH PERFORMANCE, PROCESSABLE, HIGH TEMPERATURE COMPOSITE			
	CANADA	2178840	PENDING APPLN	ICI FIBERITE
	JAPAN	07-516987	PENDING APPLN	ICI FIBERITE
	KOREA	703213/1996	PENDING APPLN	ICI FIBERITE
	AUSTRALIA	687,973	12/15/14	ICI FIBERITE
	EPO	95.905421.4	PENDING APPLN	ICI FIBERITE
	NEW ZEALAND	278525	12/15/14	ICI FIBERITE
92 P 6277A	UNITED STATES	5552466	12/17/13	ICI FIBERITE
92 0 6277B	UNITED STATES	5612399	12/17/13	
88 P 2735	EPOXY RESINS CONTAINING CHEMICALLY BONDED METAL ATOMS			
	UNITED STATES	4256868	12/12/99	
88 P 2736	ELASTOMERS CONTAINING CHEMICALLY BONDED METAL ATOMS			
	UNITED STATES	4288568	07/30/00	
88 P 2742	HIGH TEMPERATURE CONSOLIDATION PROCESS			
	UNITED STATES	4409048	10/11/00	
88 P 2774	THERMOSETTING RESINS CONTAINING NIOBIUM AND/OR TANTALUM			
	UNITED STATES	4604433	07/06/04	
	CANADA	1235842	04/26/05	

CASE NO.	TITLE COUNTRY	PATENT/APPLN No.	EXPIRATION DATE	LICENSEE
	POLYMERS CONTAINING CHEMICALLY BONDED METAL ATOMS			
88 P 2785-D	UNITED STATES	4302392	11/24/98	
88 P 2785-E	UNITED STATES	4343922	08/10/99	
88 P 2822	BI-METALLIC STUD			
	UNITED STATES	4684304	04/24/06	
	LICENSEE			
88 P 3311	SILAZANE POLYMERS AND METHOD OF MAKING SAME			
	UNITED STATES	5198519	04/25/11	
	JAPAN	4106921	PENDING APPLN	
90 P 4603	MATERIALS FOR CHEMICAL VAPOR DEPOSITION PROCESSES			
	JAPAN	03-510617	PENDING APPLN	
	KOREA	92-702876	PENDING APPLN	
	CANADA	2082819	PENDING APPLN	
	EUROPEAN PATENT OFFICE	919111161	5/13/11	
	GERMANY	69128080.0	5/13/11	
	FRANCE	EP0528986	5/13/11	
	GR. BRITAIN	EP0528986	5/13/11	
	ITALY	EP0528986	5/13/11	
	NETHERLANDS	EP0528986	5/13/11	
	SILICON CARBIDE REINFORCED CARBON COMPOSITES			
90 P 4712A	UNITED STATES	5,759,688	6/2/15	
90 P 4712	EUROPEAN PATENT OFFICE	923000905	GRANTED; AWAITING ISSUE	
	CANADA	2059255	PENDING APPLN	
	JAPAN	0405828	PENDING APPLN	
95 P 7794	HIGH PURITY COMPOSITES USEFUL AS FURNACE COMPONENTS			
	UNITED STATES	5,683,281	2/27/15	
95 P 7794A	UNITED STATES	5,800,924	2/27/15	
	EUROPEAN PATENT OFFC.	96906650.5	PENDING APPLN	
	JAPAN	8-526387	PENDING APPLN	

CASE NO.	TITLE COUNTRY	PATENT/APPLN No.	EXPIRATION DATE	LICENSEE
	KOREA	705975/1997	PENDING APPLN	
	ISRAEL	117048	PENDING APPLN	
	MALAYSIA	9600677	PENDING APPLN	
	TAIWAN	91236	2/25/16	
	THAILAND	029957	PENDING APPLN	
95 P 7794B	HIGH PURITY COMPOSITE USEFUL AS A SUSCEPTOR			
	UNITED STATES	08/868,211	PENDING APPLN	
	PCT	PCT/US98/09015	PENDING APPLN	
	MALAYSIA	P19802412	PENDING APPLN	
	TAIWAN	87100441	PENDING APPLN	
	THAILAND	043664	PENDING APPLN	
88 P 2369	METHOD FOR PRODUCING A THIN OXIDATION RESISTANT SiC COATING ON CARBON			
	JAPAN	02157426	PENDING APPLN	
88 P 2370	IMPROVED COMPOSITION FOR SIC PACK CEMENTATION COATING OF CARBONACEOUS SUBSTRATES			
	UNITED STATES	5209950	05/11/10	
	JAPAN	02157427	PENDING APPLN	
88 P 2370A	PACK MIXTURE COMPOSITION FOR SIC PACK CEMENTATION COATING OF CARBONACEOUS SUBSTRATES			
	UNITED STATES	5275983	01/04/11	
97 P 8039	CORROSION RESISTANT COMPOSITES USEFUL IN CHEMICAL REACTORS			
	UNITED STATES	08/850,205	PENDING APPLN	
	PCT	PCT/US98/08620	PENDING APPLN	
	TAIWAN	87107226	PENDING APPLN	
97 P 8039A	UNITED STATES	08/879,982	PENDING APPLN	
97 P 8032	HIGH PERFORMANCE FILTERS			
	UNITED STATES	09/087,404	PENDING APPLN	
	PCT	PCT/US98/11521	PENDING APPLN	

SCHEDULE E

LITIGATION

SGL CARBON COMPOSITES, INC.

None.

Hitco Acquisition Corp.

None.

SCHEDULE F

ASSIGNMENT OF INTELLECTUAL PROPERTY COLLATERAL

ASSIGNMENT made this _____ day of _____, 19____, by and between _____ (the "Assignor") and Citicorp USA, Inc. (the "Agent") for the benefit of itself and the Secured Parties (as defined in the Loan Agreement referred to below).

W I T N E S S E T H:

WHEREAS, Assignor and the Agent are parties to the Intellectual Property Security Agreement dated December __, 1998 (the "Security Agreement"; capitalized terms not defined herein but defined therein being used herein as therein defined) which provides that upon the occurrence of certain events specified therein Assignor and the Agent shall execute this Assignment; and

WHEREAS, the aforementioned events have occurred;

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth, the parties agree as follows:

1. Incorporation. This Assignment is made pursuant to and subject to the terms of the Loan Agreement and the Security Agreement, each of which is deemed incorporated herein by this reference and shall constitute part of this Assignment as if fully set forth herein.

2. Assignment. Assignor hereby conveys, sells, assigns, transfers and sets over to the Agent all of Assignor's entire right, title and interest in and to the Intellectual Property Collateral (as defined in the Security Agreement).

3. Notices. All notices hereunder to the parties hereto shall be made in the manner and to the addresses specified in the Security Agreement.

4. Further Instruments. The parties agree to promptly execute and deliver all further instruments necessary or desirable to carry out the purposes of this Agreement.

5. Schedules. The terms and conditions of the Schedules referred to herein are incorporated herein by this reference and shall constitute part of this Assignment as if fully set forth herein.

6. Headings. The headings in this Assignment are for purposes of reference only and shall not in any way limit or otherwise affect the meaning or interpretation of any of the terms hereof.

7. Execution in Counterparts. This Assignment may be executed in counterparts, when so executed and delivered, shall be deemed to be an original and all of which counterparts, taken together, shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Assignment as of the date first written above.

ASSIGNOR

By: _____
Name:
Title:

AGENT

By: _____
Name:
Title:

O-23

STATE OF)

ss.:

COUNTY OF)

On this ____ day of _____, 19__, before me came _____, to me known to be an officer of _____, the company described in and which executed the above instrument, and duly acknowledged that he executed the same.

NOTARY PUBLIC

STATE OF)

ss.:

COUNTY OF)

On this ____ day of _____, 19__, before me came _____, to me known to be an officer of _____, the company described in and which executed the above instrument, and duly acknowledged that he executed the same.

NOTARY PUBLIC