

05-21-2003

Form PTO-1594 (Rev. 03/01) OMB No. 0651-0027 (exp. 5/31/2002)

5-20-03



102453746

J.S. DEPARTMENT OF COMMERCE U.S. Patent and Trademark Office

Tab settings

To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

1. Name of conveying party(ies): PolyOne Corporation
Individual(s) Association
General Partnership Limited Partnership
Corporation-State
Other
Additional name(s) of conveying party(ies) attached? Yes No

2. Name and Address of receiving party(ies)
Name: U.S. Bank Trust National Association, as successor Corporate Trustee to State Street Bank and Trust Company, N.A.
Internal Address:
Street Address: 100 Wall Street
City: New York State: N.Y. Zip: 10005
Individual(s) citizenship
Association
General Partnership
Limited Partnership
Corporation-State:
Other National Association
If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No
Additional name(s) & address(es) attached: Yes No

3. Nature of conveyance:
Assignment Merger
Security Agreement Change of Name
Other
Execution Date: May 6, 2003

4. Application number(s) or registration number(s):
A. Trademark Application No.(s) See Attached
B. Trademark Registration No.(s) See Attached
Additional number(s) attached Yes No

6. Total number of applications and registrations involved: 81

5. Name and address of party to whom correspondence concerning document should be mailed:
Name: Intellectual Property Docketing
Internal Address: SHEARMAN & STERLING
Street Address: 599 Lexington Avenue
City: New York State: NY Zip: 10022

7. Total fee (37 CFR 3.41) \$ 2040.00
Enclosed
Authorized to be charged to deposit account
8. If check is missing or otherwise insufficient, charge deposit account number: 07-1077
(Attach duplicate copy of this page if paying by deposit account)

DO NOT USE THIS SPACE

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.
Chad M. Yohn
Name of Person Signing Signature Date May 16, 2003
Total number of pages including cover sheet, attachments, and document: 48

05/21/2003 MUELLER 00000040 071077 76449436

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

01 FC:8521 40.00 CH
02 FC:8522 2000.00 CH

# Continuation of Trademark Recordation Form Cover Sheet

## Continuation of Box 2:

Name and Address of receiving party(ies)

Name: Angelita Pena

Internal Address: \_\_\_\_\_

Street Address: 100 Wall Street

City: New York State: N.Y. Zip: 10005

Individual(s) citizenship United States

Association \_\_\_\_\_

General Partnership \_\_\_\_\_

Limited Partnership \_\_\_\_\_

Corporation-State: \_\_\_\_\_

## Continuation of Box 4:

### Application Numbers

76/449,438	76/402,343	76/195,579	76/239,513	76/437,635	75/844,907
78/171,706	76/297,167	76/239,358	76/437,638	76/317,249	76/143,401

### Registration Numbers

1507634	652574	981475	2241935	2324355	2463947
2116269	1834118	2207656	1605544	2137101	2169626
2232872	2217670	1389577	1461916	416625	2216905
2269584	2465535	979670	2025742	2527730	2164316
2169531	2643760	2207223	1102952	2169640	2093526
2169490	2608428	407523	2211101	2520082	2210988
2205128	1704022	2509439	2123304	1621848	1570493
2197529	2065402	2169529	1978675	351555	1834159
2178252	2324354	2239616	2098882	2661936	1527596
1835824	2570587	2308456	2224279	2463935	2243498
2453113	1881081	2214632	645602	2604600	1734252
1080493	1088457	2596940			

**NO ADDITIONAL PAGES**

## AMENDED AND RESTATED SECURITY AGREEMENT

AMENDED AND RESTATED SECURITY AGREEMENT dated May 6, 2003 (this "Agreement") made by POLYONE CORPORATION, an Ohio corporation (the "Grantor"), to U.S. BANK TRUST NATIONAL ASSOCIATION, a national banking corporation, not in its individual capacity but solely as successor corporate trustee (together with any successor corporate trustee appointed pursuant to Article VII of the Collateral Trust Agreement (as hereinafter defined), the "Corporate Trustee"), and Angelita Pena, an individual residing in the State of New Jersey not in her individual capacity but solely as individual trustee (together with any successor individual trustee appointed pursuant to Article VII of the Collateral Trust Agreement, the "Individual Trustee"; and, together with the Corporate Trustee, the "Collateral Trustees"), as trustees under the Collateral Trust Agreement dated January 25, 2002 (as amended to the date hereof and as such agreement may be amended, supplemented or otherwise modified hereafter from time to time, the "Collateral Trust Agreement") among the Grantor and the Collateral Trustees.

### PRELIMINARY STATEMENTS.

(1) The Grantor has entered into a Five Year Credit Agreement dated as of October 30, 2000, as amended and restated, and a Credit Agreement dated as of May 6, 2003 (as amended, amended and restated, supplemented or otherwise modified from time to time, the "Credit Agreement") with the banks and other financial institutions parties thereto (the "Lenders") and Citicorp USA, Inc., as administrative agent (together with any successor administrative agent appointed pursuant to Article VIII of the Credit Agreement, the "Agent") for the Lenders thereunder. The Grantor also entered into a Security Agreement dated as of January 25, 2002 (as amended to, but not including the date hereof, the "Existing Security Agreement") with the Collateral Trustees or their predecessors.

(2) The Geon Company, a Delaware corporation and predecessor in interest to the Grantor ("Geon"), has made a guaranty dated as of December 22, 1997 (as amended, supplemented or otherwise modified and in effect on the date hereof and as the same may hereafter be further amended, modified, extended, renewed, replaced, restated or supplemented from time to time pursuant to the terms thereof, the "Sunbelt Guaranty") in favor of each of the holders of the Guaranteed Secured Senior Notes due 2017, Series G (as amended, supplemented or otherwise modified and in effect on the date hereof and as the same may hereafter be further amended, modified, extended, renewed, replaced, restated or supplemented from time to time pursuant to the terms thereof, the "Sunbelt Notes") issued by Sunbelt Chlor Alkali Partnership pursuant to the Note Purchase Agreements, each dated December 22, 1997 between Sunbelt and the respective purchasers of the Sunbelt Notes.

(3) Geon has issued 6  $\frac{7}{8}$ % Debentures due 2005 (as amended, supplemented or otherwise modified and in effect on the date hereof and as the same may hereafter be further amended, modified, extended, renewed, replaced, restated or supplemented from time to time pursuant to the terms thereof, the "6  $\frac{7}{8}$ % Debentures") and has issued 7  $\frac{1}{2}$ % Debentures due 2015 (as amended, supplemented or otherwise modified and in effect on the date hereof and as the same may hereafter be further amended, modified, extended, renewed, replaced, restated or

supplemented from time to time pursuant to the terms thereof, the "7 ½% Debentures"), each pursuant to that certain Indenture dated as of December 1, 1995 (as amended, supplemented or otherwise modified and in effect on the date hereof and as the same may be further amended, modified, extended, renewed, replaced, restated or supplemented from time to time pursuant to the terms thereof, the "Geon Indenture").

(4) The Grantor has issued 8.875% Senior Notes due 2012 (as amended, supplemented or otherwise modified and in effect on the date hereof and as the same may hereafter be further amended, modified, extended, renewed, replaced, restated or supplemented from time to time pursuant to the terms thereof, the "2002 Senior Notes"), pursuant to that certain Indenture dated as of April 23, 2002 (as amended, supplemented or otherwise modified and in effect on the date hereof and as the same may be further amended, modified, extended, renewed, replaced, restated or supplemented from time to time pursuant to the terms hereof, the "2002 Indenture"). The Grantor has further issued 2003 Senior Notes due 2010 (as amended, supplemented or otherwise modified in effect on the date hereof and as the same may hereafter be further amended, modified, extended, renewed, replaced, restated or supplemented from time to time pursuant to the terms thereof, the "2003 Senior Notes"), pursuant to that certain Indenture dated as of May 6, 2003 (as amended, supplemented or otherwise modified and in effect on the date hereof and as the same may be further amended, modified, extended, renewed, replaced, restated or supplemented from time to time pursuant to the terms hereof, the "2003 Indenture", the Sunbelt Guaranty, the 6 ⅞% Debentures, the 7 ½% Debentures, the Geon Indenture, the 2002 Indenture, the 2003 Indenture, the 2002 Senior Notes and the 2003 Senior Notes, are, collectively, the "Existing Indebtedness Agreements").

(5) Pursuant to the Sunbelt Guaranty, Geon Indenture, the 2002 Indenture and the 2003 Indenture, the Grantor has agreed not to incur, and not to permit certain of its Subsidiaries to incur, certain Liens (as therein defined) upon certain of its property or assets to secure certain indebtedness without making effective provision whereby the obligations under the Existing Indebtedness Agreements shall be secured equally and ratably with the indebtedness secured by such Liens.

(6) The Collateral Trustees have agreed, pursuant to the terms of the Collateral Trust Agreement, to accept the pledge and assignment, and the grant of a security interest, under this Agreement as security for the Secured Obligations.

(7) Pursuant to the Intercreditor Agreement dated as of May 6, 2003, among Citicorp USA Inc., as Receivables Agent, Citicorp USA Inc., as Bank Agent, PolyOne Corporation, and the other entities parties thereto (the "Intercreditor Agreement"), the parties thereto have agreed to certain matters in with respect to, inter alia, the grant of security interests hereunder;

(8) It is a condition to the continued making of Advances by the Lenders under the Credit Agreement and to the continued issuance of the Letters of Credit by the Issuing Banks under the Credit Agreement that the Grantor shall have granted the assignment and security interest and made the pledge and assignment contemplated by this Agreement and that the Existing Security Agreement shall have been amended and restated as herein provided.

(9) Terms defined in the Credit Agreement or the Collateral Trust Agreement and not otherwise defined in this Agreement are used in this Agreement as defined in the Credit Agreement or the Collateral Trust Agreement, respectively. Further, unless otherwise defined in this Agreement or in the Collateral Trust Agreement, terms defined in Article 9 of the UCC (as defined below) are used in this Agreement as such terms are defined in such Article 9. "UCC" means the Uniform Commercial Code as in effect, from time to time, in the State of New York; provided that, if perfection or the effect of perfection or non-perfection or the priority of any security interest in any Collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other than the State of New York, "UCC" means the Uniform Commercial Code as in effect from time to time in such other jurisdiction for purposes of the provisions hereof relating to such perfection, effect of perfection or non-perfection or priority.

NOW, THEREFORE, in consideration of the premises and in order to induce the Lenders to continue to make Advances and the Issuing Banks to continue to issue the Letters of Credit under the Credit Agreement from time to time, the Grantor hereby agrees with the Collateral Trustees for their benefit and in trust for the ratable benefit of the Representatives and the Secured Holders to amend and restate the Existing Security Agreement as follows:

Section 1. Grant of Security. The Grantor hereby assigns and pledges to the Collateral Trustees for their benefit and in trust for the equitable and ratable benefit of the Representatives and the Secured Holders, and hereby grants to the Collateral Trustees for their benefit and in trust for the equitable and ratable benefit of the Representatives and the Secured Holders a lien on and a security interest in, the Grantor's right, title and interest in and to the following, in each case, as to each type of property described below, whether now owned or hereafter acquired by the Grantor, wherever located, and whether now or hereafter existing or arising (collectively, the "Collateral"):

(a) all equipment maintained at the properties located on Schedule III for which a Mortgage exists in all of its forms, including, without limitation, all machinery, tools, motor vehicles, vessels, aircraft, furniture and fixtures, and all parts thereof and all accessions thereto and all software related thereto, including without limitation, software that is imbedded and is part of such equipment (any and all such property being the "Equipment");

(b) all inventory in all of its forms, including, without limitation, (i) all raw materials, work in process, finished goods and materials used or consumed in the manufacture, production, preparation or shipping thereof, (ii) goods in which the Grantor has an interest in mass or a joint or other interest or right of any kind (including, without limitation, goods in which the Grantor has an interest or right as consignee) and (iii) goods that are returned to or repossessed or stopped in transit by the Grantor), and all accessions thereto and products thereof and documents therefor, and all software related thereto, including, without limitation, software that is imbedded in and is part of the inventory (any and all such property being the "Inventory");

(c) the following (collectively, the "Intellectual Property Collateral"):

(i) all owned United States patents, patent applications and utility models, including, without limitation, the patents and patent applications set forth in Schedule II hereto (as such Schedule II may be supplemented from time to time by supplements to this Agreement, each such supplement being in substantially the form of Exhibit D hereto (an "IP Security Agreement Supplement"), executed and delivered by the Grantor to the Collateral Trustees from time to time), together with all reissues, divisions, continuations, continuations-in-part, extensions and reexaminations thereof, all inventions therein, and all improvements thereto, and all other rights of any kind whatsoever of the Grantor accruing thereunder or pertaining thereto in the United States (the "Patents");

(ii) all owned United States trademarks (including, without limitation, service marks), certification marks, collective marks, trade dress, logos, domain names, product configurations, trade names and other source identifiers, whether or not registered, whether currently in use or not, including, without limitation, all common law rights and registrations and applications for registration thereof, including, without limitation, the trademark registrations and trademark applications set forth in Schedule II hereto (as such Schedule II may be supplemented from time to time by IP Security Agreement Supplements executed and delivered by the Grantor to the Collateral Trustees from time to time), and all other marks registered in the U.S. Patent and Trademark Office or in any office or agency of any State or Territory of the United States (but excluding any United States intent-to-use trademark application prior to the filing and acceptance of a Statement of Use or an Amendment to allege use in connection therewith to the extent that a valid security interest may not be taken in such an intent-to-use trademark application under applicable law), all reissues, extensions and renewals of any of the foregoing, together in each case with the goodwill of the business connected therewith and symbolized thereby, and all other rights of any kind whatsoever of the Grantor accruing thereunder or pertaining thereto in the United States (the "Trademarks");

(iii) all owned United States copyrights, copyright applications, copyright registrations and like protections in each work of authorship, whether statutory or common law, whether published or unpublished, any renewals or extensions thereof, all copyrights of works based on, incorporated in, derived from, or relating to works covered by such copyrights, including, without limitation, the copyright registrations and copyright applications set forth in Schedule II hereto (as such Schedule II may be supplemented from time to time by IP Security Agreement Supplements executed and delivered by the Grantor to the Collateral Trustees from time to time), together with all other rights of any kind whatsoever of the Grantor accruing thereunder or pertaining thereto in the United States (the "Copyrights");

(iv) all owned United States confidential and proprietary information, including, without limitation, know-how, trade secrets, manufacturing and production processes and techniques, inventions, research and development information, technical data, financial, marketing and business data, pricing and

cost information, business and marketing plans and customer and supplier lists and information in the United States (the "Trade Secrets");

(v) all owned United States software, including, without limitation, computer software programs and databases (including, without limitation, source code, object code and all related applications and data files), firmware, and documentation and materials relating thereto, and all rights with respect to the foregoing, together with any and all options, warranties, service contracts, program services, test rights, maintenance rights, improvement rights, renewal rights and indemnifications and any substitutions, replacements, additions or model conversions of any of the foregoing in the United States (the "Computer Software");

(vi) all United States license agreements, permits, authorizations and franchises, whether with respect to the Patents, Trademarks, Copyrights, Trade Secrets or Computer Software, or with respect to the patents, trademarks, copyrights, trade secrets, computer software or other proprietary right of any other Person, including, without limitation, the license agreements set forth in Schedule II hereto (as such Schedule II may be supplemented from time to time by IP Security Agreement Supplements executed and delivered by the Grantor to the Collateral Trustees from time to time), and all income, royalties and other payments now or hereafter due and/or payable with respect thereto, subject, in each case, to the terms of such license agreements, permits, authorizations and franchises, (the "Licenses"); and

(vii) any and all claims for damages for past, present and future infringement, misappropriation or breach with respect to the Patents, Trademarks, Copyrights, Trade Secrets, Computer Software or Licenses, with the right, but not the obligation, to sue for and collect, or otherwise recover, such damages;

(d) all owned books and records (including, without limitation, customer lists, credit files, computer programs, owned software, printouts and other owned computer materials and records) of the Grantor pertaining to any of the Collateral; and

(e) all proceeds of, collateral for, and supporting obligations relating to, any and all of the Collateral (including, without limitation, proceeds, collateral and supporting obligations that constitute property of the types described in clauses (a) through (c) of this Section 1 and this clause (d)) and, to the extent not otherwise included, all (A) payments under insurance (whether or not the Collateral Trustees 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 Collateral and (B) cash.

Notwithstanding anything else herein, the term "Collateral" shall not include any Purchased Property (as such term is defined in the Intercreditor Agreement) or any Post Default Property (as such term is defined in the Intercreditor Agreement).

Section 2. Security for Obligations. This Agreement secures the payment of all of the Secured Obligations of the Grantor, as such term is defined in the Collateral Trust Agreement, provided that, to the extent that any limitation on the aggregate amount of the Grantor's obligations secured by this Agreement would avoid requiring the Grantor to equally and ratably secure the Grantor's public debt, the aggregate amount of the Grantor's obligations secured by this Agreement shall not exceed the maximum amount permitted under the Grantor's public debt indentures that may be outstanding as secured obligations without requiring the Grantor to equally and ratably secure the Grantor's debt.

Section 3. Grantor Remains Liable. Anything herein to the contrary notwithstanding, (a) the Grantor shall remain liable under the contracts and agreements included in the Grantor's Collateral to the extent set forth therein to perform all of its duties and obligations thereunder to the same extent as if this Agreement had not been executed, (b) the exercise by the Collateral Trustees of any of the rights hereunder shall not release the Grantor from any of its duties or obligations under the contracts and agreements included in the Collateral and (c) none of the Collateral Trustees, and Representative or any Secured Holder shall have any obligation or liability under the contracts and agreements included in the Collateral by reason of this Agreement, nor shall any of the Collateral Trustees, any Representative or any Secured Holder be obligated to perform any of the obligations or duties of the Grantor thereunder or to take any action to collect or enforce any claim for payment assigned hereunder.

Section 4. Representations and Warranties. The Grantor represents and warrants as follows:

(a) The Grantor is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of organization.

(b) The execution, delivery and performance by the Grantor of this Agreement and each other Loan Document to which it is or is to be a party and the consummation of the transactions contemplated hereby and thereby, are within the Grantor's corporate powers, have been duly authorized by all necessary corporate action, and do not contravene (i) the Grantor's charter or code of regulations or (ii) law or any contractual restriction binding on or affecting the Grantor.

(c) No authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body or any other third party is required for the due execution, delivery and performance by the Grantor of this Agreement and each other Loan Document to which the Grantor is or is to be a party other than the filing of UCC financing statements in the relevant jurisdiction and appropriate filings with the United States Patent and Trademark Office.

(d) This Agreement and each other Loan Document to which the Grantor is or is to be a party, have been duly executed and delivered by the Grantor. This Agreement and each other Loan Document to which the Grantor is or is to be a party are the legal, valid and binding obligations of the Grantor enforceable against the Grantor in accordance with



their respective terms subject to bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the rights of creditors generally and to general equitable principles.

(e) The Grantor's exact legal name, as defined in Section 9-503(a) of the UCC, is correctly set forth in Schedule I hereto. The Grantor is located (within the meaning of Section 9-307 of the UCC) and has its chief executive office, in the state or jurisdiction set forth in Schedule I hereto. The information set forth in Schedule I hereto with respect to the Grantor is true and accurate in all respects. The Grantor has not previously changed its name, location, chief executive office, place where it maintains its agreements, type of organization, jurisdiction of organization or organizational identification number from those set forth in Schedule I hereto except as disclosed in Schedule IV hereto.

(f) All of the Equipment and Inventory of the Grantor is located at the places specified therefor in Schedule III hereto, as such Schedule III may be amended from time to time pursuant to Section 6(a). The Grantor has not previously changed the location of its Equipment and Inventory except as set forth in Schedule IV hereto.

(g) The Grantor is the legal and beneficial owner of the Collateral free and clear of any Lien, claim, option or right of others, except for the security interest to be created under this Agreement or permitted under the Credit Agreement. No effective financing statement or other instrument similar in effect covering all or any part of such Collateral or listing the Grantor or any trade name of the Grantor as debtor is on file in any recording office, except such as may have been filed in favor of the Collateral Trustees relating to the Loan Documents or as otherwise permitted under the Credit Agreement. The Grantor has only the trade names listed on Schedule II hereto.

(h) The Grantor has exclusive possession and control of the Equipment and the Inventory of the Grantor other than Inventory stored at any leased premises or warehouse for which a landlord's or warehouseman's agreement, in form and substance satisfactory to the Collateral Trustees, is in effect and which leased premises or warehouse is so indicated by an asterisk on Schedule III hereto, as such Schedule III may be amended from time to time pursuant to Section 6(a). In the case of Equipment and Inventory located on leased premises or in warehouses, no lessor or warehouseman of any premises or warehouse upon or in which such Inventory is located has (i) issued any warehouse receipt or other receipt in the nature of a warehouse receipt in respect of any Equipment and Inventory, (ii) issued any document for any of the Grantor's Equipment and Inventory, (iii) received notification of any secured party's interest (other than the security interest to be granted hereunder) in the Grantor's Equipment and Inventory or (iv) any Lien, claim or charge (based on contract, statute or otherwise) on such Equipment and Inventory.

(i) Upon the filing of a financing statement with the Secretary of State of the jurisdiction in which the Grantor is organized and the recordation of the Intellectual Property Security Agreements referred to in Section 9(f) with the U.S. Patent and Trademark Office, all filings and other actions (including, without limitation, actions necessary to perfect the Collateral Trustees' security interest with respect to Collateral

evidenced by a certificate of ownership) necessary to perfect the security interest in the Collateral created under this Agreement will have been duly made or taken and will be in full force and effect, this Agreement creates in favor of the Collateral Trustees for the benefit of the Representatives and the Secured Holders a valid and, together with such filings and other actions and except as otherwise permitted under the Credit Agreement, perfected first priority security interest in the Collateral, securing the payment of the Secured Obligations.

(j) No authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body or any other third party is or will be required for (i) the grant by the Grantor of the assignment, pledge and security interest granted hereunder or for the execution, delivery or performance of this Agreement by the Grantor, (ii) the perfection or maintenance of the assignment, pledge and security interest created hereunder (including the first priority nature of such assignment, pledge or security interest), except for the filing of financing and continuation statements under the UCC, which financing statements will, upon filing, have been duly filed and will be in full force and effect, and the recordation of the Intellectual Property Security Agreements referred to in Section 9(f) with the U.S. Patent and Trademark Office and the U.S. Copyright Office or (iii) the exercise by the Collateral Trustees of their rights provided for in this Agreement or the remedies in respect of the Collateral pursuant to this Agreement, except as may be required in connection with the disposition of any portion of the Collateral by laws affecting the offering and sale of securities generally.

(k) As to itself and its Intellectual Property Collateral:

(i) The Grantor has received no notice that the operation of the Grantor's business as currently conducted and the use of the Intellectual Property in connection therewith, conflict with, misappropriate, infringe or otherwise violate the intellectual property rights of any third party, other than for claims which if adversely determined would not have a Material Adverse Effect.

(ii) The Grantor is an owner of the entire and unencumbered right, title and interest in and to the Intellectual Property Collateral and is entitled to use all such Intellectual Property Collateral without limitation, subject only to the license terms of the Licenses.

(iii) The Intellectual Property Collateral set forth on Schedule II hereto includes all of the United States patents, patent applications, trademark registrations and applications, copyright registrations and applications and material Licenses owned by the Grantor.

(iv) The Intellectual Property Collateral is subsisting and has not been adjudged invalid or unenforceable in whole or part, and to the best of the Grantor's knowledge, is valid and enforceable.

(v) The Grantor has made or performed all filings, recordings and other acts and has paid all required fees and taxes to maintain and protect its

interest in each and every item of Intellectual Property Collateral in full force and effect, and to protect and maintain its interest therein including, without limitation, recordations of any of its interests in the Patents and Trademarks with the U.S. Patent and Trademark Office, and recordation of any of its interests in the Copyrights with the U.S. Copyright Office. The Grantor has generally used proper statutory notice in connection with its use of each patent, trademark and copyright of the Intellectual Property Collateral.

(vi) No action, suit, investigation, litigation or proceeding has been asserted or is pending or, to the Grantor's knowledge, threatened against the Grantor (i) based upon or challenging or seeking to deny or restrict the use of any of the Intellectual Property Collateral material to the Grantor's business, or (ii) alleging that any services provided by, processes used by, or products manufactured or sold by, the Grantor infringe or misappropriate any patent, trademark, copyright or any other proprietary right of any third party, which if adversely determined would be reasonably likely to have a Material Adverse Effect. To the best of the Grantor's knowledge, no Person is engaging in any activity that infringes or misappropriates the Intellectual Property Collateral or upon the rights of the Grantor therein that would be reasonably likely to have a Material Adverse Effect except as disclosed on Schedule II hereto. Except as set forth on Schedule II hereto and in the licenses that accompany the sale of goods under the UCC, the Grantor has not granted any license, release, covenant not to sue, non-assertion assurance, or other right to any Person with respect to any part of the Intellectual Property Collateral. To the best of the Grantor's knowledge, the consummation of the transactions contemplated by the Transaction Documents will not result in the termination or impairment of any of the Intellectual Property Collateral.

(vii) With respect to each License: (A) such License is valid and binding and in full force and effect and represents the entire agreement between the respective licensor and licensee with respect to the subject matter of such License; (B) such License will not cease to be valid and binding and in full force and effect on terms identical to those currently in effect as a result of the rights and interest granted herein, nor will the grant of such rights and interest constitute a breach or default under such License or otherwise give the licensor or licensee a right to terminate such License; (C) the Grantor has not received any notice of termination or cancellation under such License; (D) the Grantor has not received any notice of a breach or default under such License, which breach or default has not been cured; (E) the Grantor has not granted to any other third party any rights, adverse or otherwise, under such License; and (F) to the best of the Grantor's knowledge, neither the Grantor nor any other party to such License is in breach of or default under such License in any material respect, and no event has occurred that, with notice or lapse of time or both, would constitute such a breach or default or permit termination, modification or acceleration under such License.

(viii) To the best of the Grantor's knowledge, (A) none of the Trade Secrets of the Grantor has been used, divulged, disclosed or appropriated to the

detriment of the Grantor for the benefit of any other Person other than the Grantor the result of which would reasonably be likely to have a Material Adverse Effect; (B) no employee, independent contractor or agent of the Grantor has misappropriated any trade secrets of any other Person in the course of the performance of his or her duties as an employee, independent contractor or agent of the Grantor; and (C) no employee, independent contractor or agent of the Grantor is in default or breach of any term of any employment agreement, non-disclosure agreement, assignment of inventions agreement or similar agreement or contract relating in any way to the protection, ownership, development, use or transfer of the Grantor's Intellectual Property Collateral.

(ix) None of the Intellectual Property Collateral is subject to any outstanding order, decree, injunction, judgment or ruling restricting the use thereof or that would impair the validity or enforceability thereof.

Section 5. Further Assurances. (a) The Grantor agrees that from time to time, at the expense of the Grantor, the Grantor will promptly execute and deliver, or otherwise authenticate, all further instruments and documents, and take all further action that may be necessary or desirable, or that the Collateral Trustees may request, in order to perfect and protect any pledge or security interest granted or purported to be granted by the Grantor hereunder or to enable the Collateral Trustees to exercise and enforce their rights and remedies hereunder with respect to any Collateral. Without limiting the generality of the foregoing, the Grantor will promptly with respect to the Collateral: (i) mark conspicuously each document included in Inventory and each of its records pertaining to such Collateral with a legend, in form and substance satisfactory to the Collateral Trustees, indicating that such document or Collateral is subject to the security interest granted hereby; (ii) execute or authenticate and file such financing or continuation statements, or amendments thereto, and such other instruments or notices, as may be necessary or desirable, or as the Collateral Trustees may request, in order to perfect and preserve the security interest granted or purported to be granted by the Grantor hereunder; (iii) at the request of the Collateral Trustees, take all action to ensure that the Collateral Trustees' security interest is noted on any certificate of ownership related to any Collateral evidenced by a certificate of ownership; and (iv) deliver to the Collateral Trustees evidence that all other action that the Collateral Trustees may deem reasonably necessary or desirable in order to perfect and protect the security interest created by the Grantor under this Agreement has been taken.

(b) The Grantor hereby authorizes the Collateral Trustees to file one or more financing or continuation statements, and amendments thereto, relating to all or any part of the Collateral, in each case without the signature of the Grantor, which shall be filed by the Collateral Trustees upon the receipt of an instruction letter from the Agent requesting the taking of such action and attaching the form of financing statement. A photocopy or other reproduction of this Agreement or any financing statement covering the Collateral or any part thereof shall be sufficient as a financing statement where permitted by law.

(c) The Grantor will furnish to the Collateral Trustees from time to time statements and schedules further identifying and describing the Collateral and such other reports in connection with the Collateral as the Collateral Trustees may reasonably request, all in reasonable detail.

Section 6. As to Equipment and Inventory.(a) The Grantor will keep the Equipment and Inventory of the Grantor (other than Inventory sold in the ordinary course of business) at the places therefor specified in Section 4(h) or, upon 30 days' prior written notice to the Collateral Trustees, at such other places designated by the Grantor in such notice. Upon the giving of such notice, Schedule III shall be automatically amended to add any new locations specified in the notice.

(b) The Grantor will cause the Equipment to be maintained and preserved in accordance with current practices, and will forthwith, or in the case of any loss or damage to any of such Equipment as soon as practicable after the occurrence thereof, make or cause to be made all repairs, replacements and other improvements in connection therewith that are necessary or desirable to such end. The Grantor will promptly furnish to the Collateral Trustees a statement respecting any loss or damage exceeding \$1,000,000 to any of the Equipment or Inventory of the Grantor;

(c) The Grantor will pay promptly when due all property and other taxes, assessments and governmental charges or levies imposed upon, and all claims (including, without limitation, claims for labor, materials and supplies) against, the Equipment and Inventory of the Grantor, except to the extent payment thereof is not required by the Credit Agreement. In producing its Equipment and Inventory, the Grantor will comply with all requirements of applicable law, including, without limitation, the Fair Labor Standards Act.

Section 7. Insurance. (a) The Grantor will, at its own expense, maintain insurance with respect to the Equipment and Inventory in such amounts, against such risks, in such form and with such insurers, as is usually carried by companies engaged in similar businesses and owning similar properties in the same general areas in which the Grantor operates. The policy of the Grantor for liability insurance shall provide for all losses to be paid on behalf of the Collateral Trustees and the Grantor as their interests may appear, and each policy for property damage insurance shall provide for all covered losses (except for losses of less than \$1,000,000 per occurrence) to be paid directly to the Collateral Trustees. Such policy shall in addition (i) name the Grantor and the Collateral Trustees as insured parties thereunder (without any representation or warranty by or obligation upon the Collateral Trustees) as their interests may appear, (ii) contain the agreement by the insurer that any loss thereunder shall be payable to the Collateral Trustees notwithstanding any action, inaction or breach of representation or warranty by the Grantor, (iii) provide that there shall be no recourse against the Collateral Trustees for payment of premiums or other amounts with respect thereto and (iv) provide that at least 10 days' prior written notice of cancellation or of lapse shall be given to the Collateral Trustees by the insurer. The Grantor will, at the request of the Collateral Trustees, deliver to the Collateral Trustees a certificate of insurance with respect to such insurance and, as often as the collateral Trustees may reasonably request, a report of a reputable insurance broker with respect to such insurance.

(b) Reimbursement under any liability insurance maintained by the Grantor pursuant to this Section 7 may be paid directly to the Person who shall have incurred liability covered by such insurance.

(c) So long as no Actionable Default shall have occurred and be continuing, all insurance payments received by the Collateral Trustees in connection with any loss, damage or destruction of any Equipment or Inventory will be released by the Collateral Trustees to the Grantor. Upon the occurrence and during the continuance of any Actionable Default, all insurance payments in respect of such Equipment or Inventory shall be paid to the Collateral Trustees and shall, in the Collateral Trustees' sole discretion, (i) be released to the Grantor or (ii) be held as additional Collateral hereunder or applied as specified in the Collateral Trust Agreement.

Section 8. Changes; Bailees. (a) The Grantor will not change its name, type of organization, jurisdiction of organization, organizational identification number or location from those set forth in Schedule I without first giving at least 30 days' prior written notice to the Collateral Trustees and taking all action required by the Collateral Trustees for the purpose of perfecting or protecting the security interest granted by this Agreement, except that the Grantor may change its chief executive office to 33587 Walker Road, Avon Lake, OH 44012. The Grantor will not become bound by a security agreement authenticated by another Person (determined as provided in Section 9-203(d) of the UCC) without giving the Collateral Trustees 30 days' prior written notice thereof and taking all action required by the Collateral Trustees to ensure that the perfection and first priority nature of the Collateral Trustees' security interest in the Collateral will be maintained. The Grantor will hold and preserve its records relating to the Collateral, and will permit representatives of the Collateral Trustees at any time during normal business hours to inspect and make abstracts from such records and other documents. If the Grantor does not have an organizational identification number and later obtains one, it will forthwith notify the Collateral Trustees of such organizational identification number.

(b) If any Collateral is at any time in the possession or control of a warehouseman, bailee or agent, or if the Collateral Trustees so request at any time, the Grantor will (i) notify such warehouseman, bailee or agent of the security interest created hereunder, (ii) instruct such warehouseman, bailee or agent to hold all such Collateral solely for the Collateral Trustees' account subject only to the Collateral Trustees' instructions (which shall permit such Collateral to be removed by the Grantor in the ordinary course of business until the Collateral Trustees notify such warehouseman, bailee or agent that an Actionable Default has occurred and is continuing), (iii) use commercially reasonable efforts, to cause such warehouseman, bailee or agent to authenticate a record acknowledging that it holds possession of such Collateral for the Collateral Trustees' benefit and shall act solely on the instructions of the Collateral Trustees without the further consent of the Grantor or any other Person, and (iv) make such authenticated record available to the Collateral Trustees.

Section 9. As to Intellectual Property Collateral. (a) With respect to each item of its material Intellectual Property Collateral, the Grantor agrees to take, at its expense, all necessary steps, including, without limitation, in the U.S. Patent and Trademark Office, the U.S. Copyright Office and any other governmental authority, to (i) maintain the validity and enforceability of such Intellectual Property Collateral and maintain such Intellectual Property Collateral in full force and effect, and (ii) pursue the registration and maintenance of each patent, trademark, or copyright registration or application, now or hereafter included in the Intellectual Property Collateral, including, without limitation, the payment of required fees and taxes, the filing of responses to office actions issued by the U.S. Patent and Trademark Office, the U.S.

Copyright Office or other governmental authorities, the filing of applications for renewal or extension, the filing of affidavits under Sections 8 and 15 of the U.S. Trademark Act, the filing of divisional, continuation, continuation-in-part, reissue and renewal applications or extensions, the payment of maintenance fees and the participation in interference, reexamination, opposition, cancellation, infringement and misappropriation proceedings. The Grantor shall not, without the written consent of the Collateral Trustees, discontinue use of or otherwise abandon any Intellectual Property Collateral, or abandon any right to file an application for letters patent, trademark, or copyright, unless the Grantor shall have previously determined that such use or the pursuit or maintenance of such Intellectual Property Collateral is no longer desirable in the conduct of the Grantor's business and that the loss thereof would not be reasonably likely to have a Material Adverse Effect, in which case, the Grantor will give prompt notice of any such abandonment to the Collateral Trustees.

(c) The Grantor agrees promptly to notify the Collateral Trustees if the Grantor learns (i) that any item of material Intellectual Property Collateral may have become abandoned, placed in the public domain, invalid or unenforceable, or of any adverse determination or development regarding the Grantor's ownership of any material Intellectual Property Collateral or its right to register the same or to keep and maintain and enforce the same, or (ii) of any adverse determination or the institution of any proceeding (including, without limitation, the institution of any proceeding in the U.S. Patent and Trademark Office or any court) regarding any item of material Intellectual Property Collateral.

(c) In the event that the Grantor becomes aware that any item of material Intellectual Property Collateral is being infringed or misappropriated by a third party, the Grantor shall promptly notify the Collateral Trustees and shall take such actions, at its expense, as the Grantor or, if an Actionable Default has occurred and is continuing during the Security Period, the Collateral Trustees deem reasonable and appropriate under the circumstances to protect such Intellectual Property Collateral, including, without limitation, suing for infringement or misappropriation and for an injunction against such infringement or misappropriation.

(d) The Grantor shall use proper statutory notice in connection with its use of each item of its Intellectual Property Collateral. The Grantor shall not do or permit any act or knowingly omit to do any act whereby any of its material Intellectual Property Collateral may lapse or become invalid or unenforceable or placed in the public domain if the result thereof would be reasonably likely to have a Material Adverse Effect.

(e) The Grantor shall take all steps which it deems or the Collateral Trustees deem reasonable and appropriate under the circumstances to preserve and protect each item of its Intellectual Property Collateral, including, without limitation, maintaining the quality of any and all products or services used or provided in connection with any of the Trademarks, consistent with the quality of the products and services as of the date hereof, and require that all licensed users of any of the Trademarks use such appropriate standards of quality.

(f) With respect to its Intellectual Property Collateral, the Grantor has executed, in substantially the form set forth in Exhibit B hereto (an "Intellectual Property Security Agreement"), for recording the security interest granted hereunder to the Collateral Trustees in such Intellectual Property Collateral with the U.S. Patent and Trademark Office, the

U.S. Copyright Office and any other governmental authorities necessary to perfect the security interest hereunder in such Intellectual Property Collateral.

(g) The Grantor agrees that, should it obtain an ownership interest in any item of the type set forth in Section 1(b) that is not on the date hereof a part of the Intellectual Property Collateral (the "After-Acquired Intellectual Property"), (i) the provisions of Section 1 shall automatically apply thereto, (ii) any such After-Acquired Intellectual Property and, in the case of trademarks, the goodwill of the business associated therewith or symbolized thereby, shall automatically become part of the Intellectual Property Collateral subject to the terms and conditions of this Agreement with respect thereto, (iii) the Grantor shall give prompt written notice thereof to the Collateral Trustees in accordance herewith and (iv) the Grantor shall execute and deliver to the Collateral Trustees, or otherwise authenticate, an IP Security Agreement Supplement covering such After-Acquired Intellectual Property as "Additional Collateral" thereunder and as defined therein, and shall record such IP Security Agreement Supplement with the U.S. Patent and Trademark Office, the U.S. Copyright Office and any other governmental authorities necessary to perfect the security interest hereunder in such After-Acquired Intellectual Property.

Section 10. Transfers and Other Liens. The Grantor agrees that it will not (i) sell, assign or otherwise dispose of, or grant any option with respect to, any of the Collateral, other than sales of Inventory in the ordinary course of business and sales, assignments and other dispositions of Collateral, and options relating to Collateral, permitted under the terms of the Credit Agreement, or (ii) create or suffer to exist any Lien upon or with respect to any of the Collateral except for the pledge, assignment and security interest created under this Agreement and Liens permitted under the Credit Agreement.

Section 11. Collateral Trustees Appointed Attorney-in-Fact. (a) The Grantor hereby irrevocably appoints the Collateral Trustees the Grantor's attorney-in-fact, with full authority in the place and stead of the Grantor and in the name of the Grantor or otherwise, from time to time upon the occurrence and during the continuance of an Actionable Default in the Collateral Trustees' discretion, to take any action and to execute any instrument that the Collateral Trustees may deem necessary or advisable to accomplish the purposes of this Agreement, including, without limitation:

(i) in consultation with the Grantor, to obtain and adjust insurance required to be paid to the Collateral Trustees pursuant to Section 7,

(ii) in consultation with the Grantor when appropriate, to ask for, demand, collect, sue for, recover, compromise, receive and give acquittance and receipts for moneys due and to become due under or in respect of any of the Collateral,

(iii) to receive, indorse and collect any drafts or other instruments, documents and chattel paper, in connection with clause (i) or (ii) above, and

(iv) in consultation with the Grantor when appropriate, to file any claims or take any action or institute any proceedings that the Collateral Trustees may deem



necessary or desirable for the collection of any of the Collateral or otherwise to enforce the rights of the Collateral Trustees with respect to any of the Collateral.

(b) The Grantor hereby irrevocably appoints the Collateral Trustees the Grantor's attorney-in-fact, with full authority in the place and stead of the Grantor and in the name of the Grantor or otherwise to date the Intellectual Property Security Agreement and to file and record the Intellectual Property Security Agreement as the Collateral Trustees may deem necessary or advisable to accomplish the purposes of such documents.

Section 12. Collateral Trustees May Perform. If the Grantor fails to perform any agreement contained herein, the Collateral Trustees may, as the Collateral Trustees deem necessary to protect the security interest granted hereunder in the Collateral or to protect the value thereof, but without any obligation to do so and without notice, themselves perform, or cause performance of, such agreement, and the expenses of the Collateral Trustees incurred in connection therewith shall be payable by the Grantor under Section 15.

Section 13. The Collateral Trustees' Duties. (a) The powers conferred on the Collateral Trustees hereunder are solely to protect the Representatives and the Secured Holders' interest in the Collateral and shall not impose any duty upon it to exercise any such powers. Except for the safe custody of any Collateral in its possession and the accounting for moneys actually received by it hereunder, the Collateral Trustees shall have no duty as to any Collateral, as to ascertaining or taking action with respect to calls, conversions, exchanges, maturities, tenders or other matters relative to any Collateral, whether or not any Representative or Secured Holder has or is deemed to have knowledge of such matters, or as to the taking of any necessary steps to preserve rights against any parties or any other rights pertaining to any Collateral. The Collateral Trustees shall be deemed to have exercised reasonable care in the custody and preservation of any Collateral in their possession if such Collateral is accorded treatment substantially equal to that which they accord their own property. The parties hereto acknowledge and agree that in acting under this Agreement the Collateral Trustees shall be entitled to all rights and benefits accorded to them under the Collateral Trust Agreement.

(b) Anything contained herein to the contrary notwithstanding, the Collateral Trustees may from time to time, when the Collateral Trustees deem it to be reasonably necessary, appoint one or more subagent (each a "Subagent") for the Collateral Trustees hereunder with respect to all or any part of the Collateral. In the event that the Collateral Trustees so appoint any Subagent with respect to any Collateral, (i) the assignment and pledge of such Collateral and the security interest granted in such Collateral hereunder shall be deemed for purposes of this Agreement to have been made to such Subagent, in addition to the Collateral Trustees, for the ratable benefit of the Representatives and the Secured Holders, as security for the Secured Obligations of the Grantor, (ii) such Subagent shall automatically be vested, in addition to the Collateral Trustees, with all rights, powers, privileges, interests and remedies of the Collateral Trustees hereunder with respect to such Collateral, and (iii) the term "Collateral Trustees," when used herein in relation to any rights, powers, privileges, interests and remedies of the Collateral Trustees with respect to such Collateral, shall include such Subagent; provided, however, that no such Subagent shall be authorized to take any action with respect to any such Collateral unless and except to the extent expressly authorized in writing by the Collateral Trustees.

Section 14. Remedies. Notwithstanding any other provision of this Agreement, any exercise of remedies by the Collateral Trustees pursuant to this Agreement shall be subject to the terms of the Intercreditor Agreement, for as long as it shall remain in effect. If any Actionable Default shall have occurred and be continuing:

(a) The Collateral Trustees may with the consent of the Required Representatives, and shall at the request of the Required Representatives (as provided in the Collateral Trust Agreement), exercise in respect of the Collateral, in addition to other rights and remedies provided for herein or otherwise available to them, all the rights and remedies of a secured party upon default under the UCC (whether or not the UCC applies to the affected Collateral) and also may: (i) require the Grantor to, and the Grantor hereby agrees that it will at its expense and upon request of the Collateral Trustees forthwith, assemble all or part of the Collateral as directed by the Collateral Trustees and make it available to the Collateral Trustees at a place and time to be designated by the Collateral Trustees that is reasonably convenient to all parties and reasonable given the nature of the Collateral ; (ii) without notice except as specified below, sell the Collateral or any part thereof in one or more parcels at public or private sale, at any of the Collateral Trustees' offices or elsewhere, for cash, on credit or for future delivery, and upon such other terms as the Collateral Trustees may deem commercially reasonable; (iii) occupy any premises owned or leased by the Grantor where the Collateral or any part thereof is assembled or located for a reasonable period in order to effectuate their rights and remedies hereunder or under law, without obligation to the Grantor in respect of such occupation; and (iv) exercise any and all rights and remedies of the Grantor under or in connection with the Collateral, or otherwise in respect of the Collateral, including, without limitation, those set forth in Section 9-607 of the UCC. The Grantor agrees that, to the extent notice of sale shall be required by law, at least ten days' notice to the Grantor of the time and place of any public sale or the time after which any private sale is to be made shall constitute reasonable notification. The Collateral Trustees shall not be obligated to make any sale of Collateral regardless of notice of sale having been given. The Collateral Trustees may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned.

(b) Any cash held by or on behalf of the Collateral Trustees and all cash proceeds received by or on behalf of the Collateral Trustees in respect of any sale of, collection from, or other realization upon all or any part of the Collateral may, in the discretion of the Collateral Trustees, be held by the Collateral Trustees as collateral for, and/or then or at any time thereafter applied (after payment of any amounts payable to the Collateral Trustees pursuant to Section 15) in whole or in part by the Collateral Trustees for the ratable benefit of the Representatives and the Secured Holders against, all or any part of the Secured Obligations, as set forth in Section 5.01 of the Collateral Trust Agreement.

(c) All payments received by the Grantor in respect of the Collateral shall be received in trust for the benefit of the Collateral Trustees, shall be segregated from other funds of the Grantor and shall be forthwith paid over to the Collateral Trustees in the same form as so received (with any necessary indorsement).

(d) The Collateral Trustees may, without notice to the Grantor except as required by law and at any time or from time to time, charge, set-off and otherwise apply all or any part of the Secured Obligations against any funds held in any other deposit account.

(e) In the event of any sale or other disposition of any of the Intellectual Property Collateral, the goodwill of the business connected with and symbolized by any Trademarks subject to such sale or other disposition shall be included therein, and the Grantor shall supply to the Collateral Trustees or their designee the Grantor's know-how and expertise, and documents and things relating to any Intellectual Property Collateral subject to such sale or other disposition, and the Grantor's customer lists and other records and documents relating to such Intellectual Property Collateral and to the manufacture, distribution, advertising and sale of products and services of the Grantor.

Section 15. Indemnity and Expenses. (a) The Grantor agrees to indemnify, defend and save and hold harmless the Collateral Trustees, each Representative and each Secured Holder and each of their Affiliates and their respective officers, directors, employees, agents and advisors (each, an "Indemnified Party") from and against, and shall pay on demand, any and all claims, damages, losses, liabilities and expenses (including, without limitation, reasonable fees and expenses of counsel) that may be incurred by or asserted or awarded against any Indemnified Party, in each case arising out of or in connection with or resulting from this Agreement (including, without limitation, enforcement of this Agreement), except to the extent such claim, damage, loss, liability or expense resulted from such Indemnified Party's gross negligence or willful misconduct.

(b) The Grantor will upon demand pay to the Collateral Trustees the amount of any and all reasonable expenses, including, without limitation, the reasonable fees and expenses of its counsel and of any experts and agents, that the Collateral Trustees may incur in connection with (i) the administration of this Agreement, (ii) the custody, preservation, use or operation of, or the sale of, collection from or other realization upon, any of the Collateral, (iii) the exercise or enforcement of any of the rights of the Collateral Trustees, the Representatives or the other Secured Holders hereunder or (iv) the failure by the Grantor to perform or observe any of the provisions hereof.

Section 16. Amendments; Waivers. No amendment or waiver of any provision of this Agreement, and no consent to any departure by the Grantor herefrom, shall in any event be effective unless the same shall be in writing and signed by the Collateral Trustees, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. No failure on the part of the Collateral Trustees, the Representatives or any other Secured Holder to exercise, and no delay in exercising any right hereunder, shall operate as a waiver thereof; nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right.

Section 17. Notices; Etc. All notices and other communications provided for hereunder shall be in writing (including telegraphic, telecopier or telex communication) and mailed, telegraphed, telecopied, telexed or delivered, in the case of any Representative or the Collateral Trustees, addressed to each at their respective address specified in the Collateral Trust Agreement and, in the case of the Grantor, addressed to it at its address set forth opposite the

Grantor's name on the signature pages hereto; or, as to any party, at such other address as shall be designated by such party in a written notice to the other parties. All such notices and other communications shall be effective upon receipt. Delivery by telecopier of an executed counterpart of any amendment or waiver of any provision of this Agreement or Schedule hereto shall be effective as delivery of an original executed counterpart thereof.

Section 18. Continuing Security Interest; Assignments under the Credit Agreement. This Agreement creates a continuing security interest in the Collateral and shall (a) remain in full force and effect until all of the Collateral is released and this Agreement is terminated in accordance with Section 8.02 of the Collateral Trust Agreement, (b) be binding upon the Grantor, its successors and assigns and (c) inure, together with the rights and remedies of the Collateral Trustees hereunder, to the benefit of the Collateral Trustees, the Representatives on behalf of themselves and on behalf of the Secured Holders and their respective successors, transferees and assigns. Without limiting the generality of the foregoing clause (c), any Secured Holder may assign or otherwise transfer all or any portion of its rights and obligations under the applicable Secured Agreement to any other Person, and such other Person shall thereupon become vested with all the benefits in respect thereof granted to such Secured Holder herein or otherwise, in each case as provided in of the applicable Secured Agreement.

Section 19. Release; Termination. All or any portion of the collateral shall be released by the Collateral Trustees solely on the terms and subject to the conditions set forth in Article VIII of the Collateral Trust Agreement.

Section 20. Execution in Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by telecopier shall be effective as delivery of an original executed counterpart of this Agreement.

Section 21. The Mortgages. In the event that any of the Collateral hereunder is also subject to a valid and enforceable Lien under the terms of a Mortgage and the terms of such Mortgage are inconsistent with the terms of this Agreement, then with respect to such Collateral, the terms of such Mortgage shall be controlling in the case of fixtures and real estate leases, letting and licenses of, and contracts and agreements relating to the lease of, real property, and the terms of this Agreement shall be controlling in the case of all other Collateral.

Section 22. Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York.

Section 23. Intercreditor Agreement. In the event of any conflict between the provisions of this Agreement and the provisions of the Intercreditor Agreement, the provisions of the Intercreditor Agreement shall govern.

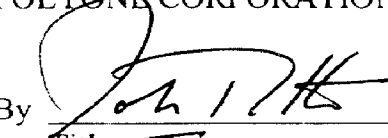
IN WITNESS WHEREOF, the Grantor has caused this Agreement to be duly executed and delivered by its officer thereunto duly authorized as of the date first above written.

Address for Notices:

33587 Walker Rd.  
Avon Lake, OH 44012

POLYONE CORPORATION

By



Title:

Treasurer

LOCATION, CHIEF EXECUTIVE OFFICE, TYPE OF ORGANIZATION, JURISDICTION OF ORGANIZATION AND  
ORGANIZATIONAL IDENTIFICATION NUMBER

Grantor	Location	Chief Executive Office Type of Organization	Type of Organization	Jurisdiction of Organization	Organizational I.D. No.
1. PolyOne Corporation	Ohio	Suite 36-5000 200 Public Square Cleveland, OH 44114	Corporation	Ohio	34-1730488

**Patents, Trademarks and Trade Names, Copyrights and Licenses**

**USA Patents of PolyOne Corporation**

Patent No.	Issue Date	Serial No.	Application File Date	Title of Patent or Application
4,496,692	1/29/1985	06/567,285	12/30/1983	Molding compositions of polyvinyl chloride and polymerizable plasticizers
4,536,360	8/20/1985	06/630,421	7/13/1984	Glass fiber reinforced vinyl chloride polymer products and process for their preparation
4,581,413	4/8/1986	06/685,646	12/24/1984	Vinyl Dispersion Resins
4,634,562	1/6/1987	06/299,770	9/8/1981	Photocurable polyvinyl chloride composition
4,659,766	4/21/1987	06/562,890	12/19/1983	Graft copolymer-plasticized PVC blends as thermoplastic elastomers
4,693,800	9/15/1987	06/802,390	11/29/1985	Property variation of dispersion resins by electrofiltration
4,711,908	12/8/1987	07/038,099	4/14/1987	Skinless porous particle PVC resin and process for producing same
4,728,677	3/1/1988	06/868,857	5/30/1986	Weatherable vinyl polymer compositions
4,742,085	5/3/1988	07/038,087	4/14/1987	Crosslinked porous skinless particles of PVC resin and process for producing same
4,751,118	6/14/1988	06/768,987	8/26/1985	Clear polyvinyl chloride articles and compositions
4,755,414	7/5/1988	07/128,138	12/3/1987	Weatherable rigid vinyl articles
4,755,538	7/5/1988	07/106,836	10/6/1987	Skinless porous particle PVC resin and process for producing same
4,755,539	7/5/1988	07/107,427	10/6/1987	Skinless porous particle PVC resin and process for producing same
4,757,091	7/12/1988	07/107,426	10/6/1987	Skinless porous particle PVC resin and process for producing same
4,757,092	7/12/1988	07/107,425	10/6/1987	Skinless porous particle PVC resin and process for producing same
4,764,552	8/16/1988	06/933,956	11/24/1986	Grafted nitrile rubber--plasticized PVC blends as thermoplastic elastomers
4,775,698	10/4/1988	07/169,795	3/18/1988	Process for producing porous substantially skinless particles of crosslinked PVC resin
4,775,699	10/4/1988	07/169,797	3/18/1988	Crosslinked porous skinless particles of PVC resin
4,775,700	10/4/1988	07/170,179	3/18/1988	Process for producing porous skinless particles of crosslinked PVC resin
4,775,701	10/4/1988	07/169,656	3/18/1988	Mass process for producing porous friable particles of crosslinked PVC resin
4,775,702	10/4/1988	07/170,182	3/18/1988	Mass process for producing porous friable particles of crosslinked PVC resin
4,789,597	12/6/1988	07/002,207	1/12/1987	Incorporation of chemically reactive agents on resin particles

**USA Patents of PolyOne Corporation**

<b>Patent No.</b>	<b>Issue Date</b>	<b>Serial No.</b>	<b>Application File Date</b>	<b>Title of Patent or Application</b>
4,801,627	1/31/1989	06/897,437	8/18/1986	Glass fiber reinforced vinyl chloride polymer products and process for their preparation
4,820,763	4/11/1989	07/038,103	4/14/1987	Poly(vinyl chloride) polyblend containing a crystalline polyester with limited miscibility and reinforced composites thereof
4,870,126	9/26/1989	07/112,793	10/23/1987	Glass fiber reinforced poly(vinyl chloride) blend with improved heat distortion and tensile strength
4,874,858	10/17/1989	07/173,898	3/28/1988	Triazine-containing multisilane coupling agents for coating glass fibers, for adhesives, and for protective coatings
4,911,830	3/27/1990	07/199,280	5/26/1988	Fluorescent pigment concentrates
4,937,291	6/26/1990	07/242,391	9/9/1988	Thermoplastic elastomer blends of a polyvinyl chloride-acrylate copolymer and a crosslinked nitrile elastomer
4,939,212	7/3/1990	07/336,672	3/31/1989	Elasticized vinyl dispersion resins having outstanding stability
5,008,145	4/16/1991	07/404,011	9/7/1989	Glass fiber reinforced poly(vinyl chloride) blend with improved heat distortion and tensile strength
5,059,261	10/22/1991	07/526,832	5/22/1990	Processing of materials using rupturable microcapsulates containing detection materials
5,059,476	10/22/1991	07/361,195	6/5/1989	Hinged rigid or semirigid product
5,080,968	1/14/1992	07/481,263	2/20/1990	Composites of vinyl resins and elastomer-coated fibers
5,084,510	1/28/1992	07/428,571	10/30/1989	Vinyl halide polymers modified with olefinic nitrile polymers
5,101,064	3/31/1992	07/494,092	3/15/1990	Production of terephthalate esters by degradative transesterification of scrap or virgin terephthalate polyesters
5,104,741	4/14/1992	07/418,318	10/6/1989	Plasticized articles having vinyl resin-based products in contact with polymeric or polymer coated substrates
5,109,051	4/28/1992	07/492,702	3/13/1990	Aluminosilicate compositions as partial replacement for titanium dioxide in pigmented polyvinyl chloride and polyvinyl chloride type compositions
5,119,871	6/9/1992	07/503,374	4/6/1990	Opacified pearlescent multilayer louver for vertical blinds
5,130,374	7/14/1992	07/427,974	10/26/1989	Rigid thermoplastic compositions capable of forming articles with matte surface
5,141,042	8/25/1992	07/762,036	9/17/1991	Web covered vertical blind slat assemblies
5,143,953	9/1/1992	07/635,042	12/28/1990	N-alkyl maleimide thermal stabilizers for vinyl halide polymers



**USA Patents of PolyOne Corporation**

<b>Patent No.</b>	<b>Issue Date</b>	<b>Serial No.</b>	<b>Application File Date</b>	<b>Title of Patent or Application</b>
5,143,975	9/1/1992	07/698,018	5/9/1991	Polyvinyl chloride blends
5,153,269	10/6/1992	07/620,677	12/3/1990	Thermoplastic elastomer blends of a polyvinyl chloride-acrylate copolymer and a cured acrylate elastomer
5,157,076	10/20/1992	07/719,068	6/17/1991	Thermoplastic elastomers with improved abrasion resistance
5,183,212	2/2/1993	07/871,781	4/21/1992	Method for separating multilayer plastics into its components
5,194,209	3/16/1993	07/858,385	3/25/1992	Making opacified pearlescent multilayer louver for vertical blinds
5,198,170	3/30/1993	07/930,972	8/17/1992	Method for extrusion of powdered PVC compounds
5,198,303	3/30/1993	07/720,559	6/25/1991	Paintable high specific adhesion polyvinyl halide copolymer compositions
5,199,652	4/6/1993	07/843,710	2/28/1992	Method for separating a mixture of two plastics with similar specific gravities
5,210,140	5/11/1993	07/867,246	4/10/1992	Polyvinyl chloride blends
5,214,087	5/25/1993	07/498,508	3/26/1990	Vinyl halide polymer: ethylene-vinyl alcohol blends containing phenolic antioxidant
5,215,586	6/1/1993	07/774,214	10/10/1991	Apparatus for collecting an overspray
5,231,127	7/27/1993	07/935,674	8/25/1992	Metal titanates as partial replacements for titanium dioxide in pigmented polyvinyl chloride-type compositions
5,247,019	9/21/1993	07/714,119	6/11/1991	Frosted polymeric articles and process for producing same
5,248,546	9/28/1993	07/752,291	8/30/1991	Vinyl based articles in contact with chloro-fluoro chemicals
5,284,434	2/8/1994	08/042,213	4/2/1993	Blow molding extrusion head
5,290,890	3/1/1994	07/995,722	12/23/1992	Process for making PVC resin having improved initial color and clarity
5,298,558	3/29/1994	07/888,927	6/2/1992	Electrostatic dissipative blends of PVC, polyetheramides and an impact modifier
5,319,128	6/7/1994	07/860,188	3/30/1992	Production of terephthalate esters by degradative transesterification of scrap or virgin terephthalate polyesters
5,356,282	10/18/1994	07/822,813	1/21/1992	Blow molding extrusion head
5,358,024	10/25/1994	08/120,312	9/13/1993	Web covered vertical blind slat assemblies
5,360,872	11/1/1994	07/142,881	10/22/1993	Method for enhancing the miscibility of halogenated polymers with immiscible polymers
5,380,786	1/10/1995	07/634,783	11/27/1990	Polyvinyl chloride blends having improved physical properties including low temperature brittleness

**USA Patents of PolyOne Corporation**

<b>Patent No.</b>	<b>Issue Date</b>	<b>Serial No.</b>	<b>Application File Date</b>	<b>Title of Patent or Application</b>
5,380,928	1/10/1995	08/107,979	8/18/1993	Two step oxidation process for the production of carboxylic acids such as azelaic acid from unsaturated substrates
5,422,399	6/6/1995	08/084,339	6/29/1993	Rigid article having a stucco appearance made from a blend of PVC and crosslinked PVC
5,472,990	12/5/1995	08/331,174	11/10/1994	Method and apparatus for nucleation of polyurethane foam which results in self-adhering microcellular foam
5,494,718	2/27/1996	08/182,896	1/18/1994	Rigidizer for plastic vessels
5,496,630	3/5/1996	08/076,328	9/13/1993	Thermoplastic multilayer louver with a polished metal look
5,507,999	4/16/1996	08/228,063	4/15/1994	Process for thermoforming plastic doors
5,536,462	7/6/1996	08/279,133	7/22/1994	High output twin screw extrusion process
5,686,515	11/11/1997	08/557,685 7	11/13/1995	Colored polyethylene terephthalate composition and process of its manufacture
5,747,556	5/5/1998	08/001,993	1/8/1993	Opacified pearlescent multilayer louver for verticle blinds
5,806,283	9/15/1998	08/631,787	4/12/1996	Vacuum packaging of plastic blends
5,866,054	2/2/1999	08/965,271	11/6/1997	Composition and method for extruding plastic articles having accent color pattern
5,866,639	2/2/1999	08/625,694	4/3/1996	Compostion and method for extruding plastic articles having accent color pattern
5,869,176	2/9/1999	08/965,236	11/6/1997	Composition and method for extruding plastic articles having accent color pattern and comprising poly-.alpha.-methylstyrene pellets
5,938,080	8/17/1999	08/803,588	2/21/1997	System and apparatus for dispensing high-viscosity pigments
5,976,411	11/2/1999	08/991,705	12/16/1997	Laser marking of phosphorescent plastic articles
5,977,514	11/2/1999	08/874,401	6/13/1997	Controlled color laser marking of plastics
6,017,972	1/25/2000	09/322,589	5/28/1999	Controlled color laser marking of plastics
6,022,905	2/8/2000	09/322,000	5/28/1999	Controlled color laser marking of plastics
6,118,096	9/12/2000	09/322,548	5/28/1999	Laser marking of phosphorescent plastic articles
6,168,853	1/2/2001	09/322,486	5/27/1999	Laser marking of phosphorescent plastic articles
6,216,608	4/17/2001	09/334,351	6/16/1999	Plastic pallet
6,254,363	7/3/2001	09/488,251	1/20/2000	Liquid colorant tube assembly
6,352,039	3/5/2002	09/803,138	3/9/2001	Plastic pallet
6,375,864	4/23/2002	09/189,464	11/10/1998	Daylight/nightglow colored phosphorescent plastic compositions and articles
6,384,002	5/7/2002	09/844,459	4/27/2001	Composition and method for purging polymer processing equipment
6,406,069	6/18/2002	09/594,378	6/15/2000	Colorant feeder apparatus for polymer processing machine
6,524,694	2/25/2003	09/480,955	1/11/2000	COMPOSITIONS FOR IMPARTING A

**USA Patents of PolyOne Corporation**

<b>Patent No.</b>	<b>Issue Date</b>	<b>Serial No.</b>	<b>Application File Date</b>	<b>Title of Patent or Application</b>
				TRANSLUCENT OPTICAL EFFECT TO TRANSPARENT THERMOPLASTIC POLYMERS
		<del>Unassigned</del>	4/23/2003	DIGITALLY MAPPED FORMULAIC COLOR SPACE AND METHOD OF MAKING AND USING SAME
		<del>Unassigned</del>	5/02/2003	IN-SITU GENERATION OF METALLIC PARTICLES
		09/321,877	5/27/1999	CONTROLLED COLOR LASER MARKING OF PLASTICS
		09/595,111	6/16/2000	COLOR MATCHING SYSTEM AND METHOD
		09/843,233	4/26/2001	LOW PERMEABILITY BEVERAGE CONTAINER
		10/150,166	5/17/2002	COMPOSITION AND METHOD FOR IMPROVEMENT OF RESIN FLOW IN POLYMER PROCESSING EQUIPMENT
		10/150,305	5/17/2002	MULTI-FUNCTIONAL COLOR CONCENTRATE COMPOSITIONS
		10/171,055	6/13/2002	COMPOSITION AND METHOD FOR FOAMING RESIN
		<del>10/336141</del>	1/3/2003	COMPOSITIONS FOR IMPARTING A TRANSLUCENT OPTICAL EFFECT TO TRANSPARENT THERMOPLASTIC POLYMERS
		10/410,606	5/7/2002	WEATHER RESISTANT PLASTIC COMPOSITES CAPPED WITH POLYETHYLENE TEREPHTHALATE GLYCOL (PETG) FOR OUTDOOR EXPOSURES
		60/302,264	6/29/2001	COMPOSITION AND METHOD FOR FOAMING RESIN
		60/416,658	10/7/2002	COMPATIBILIZED THERMOPLASTIC VULCANIZATE BLENDS AND THEIR MORPHOLOGY AS DETERMINED BY ATOMIC FORCE MICROSCOPY
		60/418,543	10/15/2002	MOLDED PRODUCTS WITH MATTE FINISH AND METHOD OF MAKING SAME
		60/419,469	10/18/2002	APPARATUS AND METHOD OF PRODUCING CONCRETE FILLABLE WALL FORMWORK HAVING FLAT WALL SURFACES
		60/429,522	11/27/2002	DOUBLE-WALLED, BLOW-MOLDED POLY(VINYL CHLORIDE) ARTICLE & METHOD OF MAKING SAME
		60/429,524	11/27/2002	RHEOLOGY MODIFIED THERMOPLASTIC ELASTOMERS
		60/429477	11/26/2002	EFFECT OF EXTRUSION MELT TEMPERATURE ON PROPERTIES OF FLEXIBLE POLY(VINYL)

**USA Patents of PolyOne Corporation**

Patent No.	Issue Date	Serial No.	Application File Date	Title of Patent or Application
				CHLORIDE
		60/430,631	12/3/2002	USE OF ADDITIVES IN COMPOUNDS CONTAINING MACROCYCLIC POLY(ALKYLENE DICARBOXYLATE) OLIGOMERS
		<del>60/442,211</del>	1/24/2003	COMPATIBLE MULTI-FUNCTIONAL COLOR CONCENTRATE COMPOSITIONS
		<del>60/449,951</del>	2/25/2003	PROFILE-EXTRUDED POLY(VINYL CHLORIDE) ARTICLES AND METHOD OF MAKING SAME
		<del>60/462,267</del>	4/11/2003	METHOD OF INCREASING OUTPUT OF POLY(VINYL CHLORIDE) COMPOUNDS BLENDED FROM DRY-BLENDED POWDERS
		<del>US03/07490</del>	3/13/2003	USE OF CALCIUM CARBONATE IN RIGID POLY(VINYL CHLORIDE) COMPOSITIONS

**USA Marks of PolyOne Corporation**

Mark	Filing Date	Appln. No.	Reg. No.	Reg. Date
AEROFLEX	26-Sep-86		1507634	11-Oct-88
AQUAMIX	13-Sep-02	76449438		
BLUE PLANET SEQUENCE	7-Oct-02	78171706		
BRIGHT TIGER	9-Dec-96		2116269	25-Nov-97
CELPRO	23-May-97		2232872	16-Mar-99
COLORMASTER	25-Jun-97		2269584	10-Aug-99
COMPETE	4-Jun-97		2169531	30-Jun-98
CTI FIBRE-TECH	27-May-97		2169490	30-Jun-98
CTI LUBRI-TECH	27-May-97		2205128	24-Nov-98
CTI STAT-TECH	27-May-97		2197529	20-Oct-98
CTI THERMA-TECH	27-May-97		2178252	4-Aug-98
DELIVERING PERFORMANCE	27-Apr-93		1835824	10-May-94
DENFLEX	18-Oct-56		0652574	8-Oct-57
Design of a Beaker	27-Apr-93		1834118	3-May-94
DISPENSEMASTER	10-Oct-96		2217670	12-Jan-99
DURACAP	1-May-00		2465535	3-Jul-01
DURAFLEC	1-May-00		2643760	29-Oct-02
DURMAX	29-Mar-99		2608428	20-Aug-02
ECOVINYL	7-May-90		1704022	28-Jul-92
EDGE GLO	30-Jun-94		2065402	27-May-97
EDGE TEK	29-Mar-99		2324354	29-Feb-00
ELASTAMAX	29-Mar-99		2570587	21-May-02
EM PEE (STYLIZED)	15-Sep-72		0981475	2-Apr-74
FASTMARK	23-May-97		2207656	1-Dec-98
FIBERLOC	15-Aug-85		1389577	15-Apr-86

**USA Marks of PolyOne Corporation**

Mark	Filing Date	Appln. No.	Reg. No.	Reg. Date
FIRECON	28-Mar-03	<del>78231436</del>		
FREEZ DRI	29-Oct-71		0979670	26-Feb-74
GENESIS	3-Nov-97		2207223	1-Dec-98
GEON	22-Jan-44		0407523	6-Jun-44
GEO-PAL AND DESIGN	5-Sep-00		2509439	20-Nov-01
HANNA FX	3-Jun-97		2169529	30-Jun-98
HANNASPHERE	16-Jun-97		2239616	13-Apr-99
HI-PRO II	25-Feb-98		2308456	18-Jan-00
HOLOFLAKE	23-May-97		2241935	27-Apr-99
HT Plus (Stylized)	29-Sep-89		1605544	10-Jul-90
HT SERIES	9-Mar-87		1461916	20-Oct-87
HTE	6-Mar-96		2025742	24-Dec-96
INSTATHANE	28-Oct-77		1102952	26-Sep-78
LUNA CLEAR	24-Nov-97		2211101	15-Dec-98
MATCHMAKER	16-Oct-96		2123304	23-Dec-97
MAXBATCH	29-Apr-02	76402343		
MAXXAM	13-Sep-93		1978675	4-Jun-96
MONMOUTH	10-Apr-96		2098882	23-Sep-97
NANOBLEND	27-Mar-03	<del>78231021</del>		
NITEBRITE	26-Jan-98		2224279	16-Feb-99
NYMAX	29-Mar-99		2324355	29-Feb-00
ONCOLOR	13-Feb-03	<del>78214372</del>		
ONE PACPUFF	28-Jan-97		2137101	17-Jan-98
OSULLIVAN'S	4-May-44		0416625	25-Sep-45
PCMASTER	10-Mar-97		2527730	8-Jan-02
PENNANT WHITE	25-Jun-97		2169640	30-Jun-98
PLAST-O-MERIC	25-Apr-01		2520082	18-Dec-01
PLAST-O-MERIC AND DESIGN	26-Feb-90		1621848	13-Nov-90
PLASTONE	20-May-37		0351555	2-Nov-37
PLENSTAR	10-Aug-01	76297167		
POLYFOAM	12-Apr-01		2661936	17-Dec-02
POLYONE	18-Jan-01	76195579		
POLYONE	13-Jun-00		2463935	26-Jun-01
POLYONE	15-Jun-00		2463947	26-Jun-01
POLYPEARL	12-Apr-01	76239358		
POLYPEARL PLUS	12-Apr-01	76239513		
POLYPURGE	5-Aug-02	76437638		
POLYWHITE	23-Jun-97		2169626	30-Jun-98
PPROTINT	28-Feb-97		2216905	12-Jan-99
PRINTER'S CHOICE	8-Sep-95		2164316	9-Jun-98
REVELATION INKS	8-Sep-95		2093526	2-Sep-97
ROTHANE	5-Aug-02	76437635		
SMARTBATCH	26-Sep-01	76317249		

**USA Marks of PolyOne Corporation**

Mark	Filing Date	Appln. No.	Reg. No.	Reg. Date
SPEDECOLOR	10-Nov-99	75844907		
SUPERGUARD HT	3-Nov-97		2210988	15-Dec-98
SYNCURE	13-Jun-02	76143401		
SYNERGISTICS	13-Jul-87		1570493	12-Dec-89
SYNERGISTICS & DESIGN	8-Apr-91		1834159	3-May-94
SYNPRENE	11-Apr-88		1527596	7-Mar-89
TESLART	26-Mar-03	<del>78230482</del>		
TRANSFLECT	23-May-97		2243498	4-May-99
TRANSFLEX	3-May-00		2453113	22-May-01
TRANSFLEX SCREEN PRINTING INKS	12-Jan-93		1881081	28-Feb-95
W WILSON (and design)	1-Dec-97		2214632	29-Dec-98
WILFLEX	10-Aug-56		0645602	21-May-57
WILFLEX	28-Sep-01		2604600	6-Aug-02
WILFLEX (STYLIZED)	4-Feb-92		1734252	24-Nov-92
WILSON	30-May-96		1080493	21-Aug-97
WILSON	30-May-96		1088457	28-Aug-97
ZIP	22-Jun-00		2596940	23-Jul-02

**Registered Copyrights of PolyOne Corporation**

Owner	Copyright	Reg. No.
Wilflex	Bright Tiger Ad	TX4-463-446
Wilflex	PCMaster Flyer	TX4-540-049
Geon	The GEON Way	TX4-504-571
Wilflex	WCS Dispensemaster Ad	TX4-383-077
Wilflex	We're Excited! Ad	TX4-359-743
Wilflex	Wilflex Color Systems Guide	TX4-356-059
Wilflex	Wilflex Color Systems Software	TX4-730-509
Wilflex	Wilflex Plastisol Color Book	TX3-085-345
Wilflex	Wilflex Textile User's Guide	TX4-520-256

**USA Licenses by or for PolyOne Corporation**

PolyOne Business	Other Party(ies)	Type of Agreement including Int. Prop. License
Colors and Additives	Integrated Color Solutions	Joint Development Agreement for Virtual Color Technology
Colors and Additives	General Motors	Joint Development Agreement for Nano Composites
Corporate	Blue Chip Ind.	Use of Copyrighted Data in Newsletter
Corporate	Consensus	Use of Copyrighted Data in Newsletter
Corporate	Case Western Reserve University	Sponsored Research Agreement
Corporate	PolyOne International Subsidiaries and Affiliates	License of Technology and Brands (outside USA)

**USA Licenses by or for PolyOne Corporation**

<b>PolyOne Business</b>	<b>Other Party(ies)</b>	<b>Type of Agreement including Int. Prop. License</b>
Eng. Materials	SoFteR SpA	License of Forprene Technology and Brand
Eng. Materials	Nanocor, Inc.	Joint Development Agreement Alliance for Nanoclays
Eng. Materials	Noveon Corporation	Stat-Tech & Stat-Rite Distributions with Further Developments
Spec. Resins & Formulators	GeoTech Chemical Company LLC	License & Option to Purchase Inherently Conductive Polymers Technology
Vinyl	Edison Polymer Innovation Corporation	Sponsorship of EPIC's Vinyl Research
Vinyl	Permaform AS	License for Permaform Vinyl Formwork Technology
Vinyl	Andersen Window Corporation	Supply Agreement with Grant Back for Biofiber/Vinyl Pellets
Vinyl	14 Pearlescent Louver Manufacturers	License of PolyOne Pat. Nos. 5,119,871 and 5,194,209
Vinyl	Brian Industries, Inc.	License of PolyOne's GEON Brand
Vinyl	Montville Plastics & Rubber Inc.	License of PolyOne's Plastic Pallet Technology and Brand
Vinyl	OxyVinyls LLC	License of PolyOne's PVC Resin and Monomers Technology
Vinyl	PVC Powder Blends LP	License of PolyOne's Powder Compounding Technology

**Schedule III to the  
Amended and Restated Security Agreement**

Co.Code.	Plant No.	Location	Amount	Name	Address	City	State	Zip	Country
US11	1001	Farmingdale Mfg Plant	\$ 448,406	PolyOne Corporation	10 Ruckle Avenue	Farmingdale	NJ	07727	US
US11	1011	Louisville Mfg Plant	\$2,582,454	PolyOne Corporation	4200 Bells Lane	Louisville	KY	40211	US
US11	1012	Avon Lake Mfg Plant	\$5,475,934	PolyOne Corporation	33587 Walker Road	Avon Lake	OH	44012	US
US11	1017	Long Beach Mfg Plant	\$4,020,790	PolyOne Corporation	2104 East 223RD Street	Carson	CA	90745	US
US11	1035	Burlington Mfg Plant	\$865,482	PolyOne Corporation	1804 River Road	Burlington	NJ	08016-0456	US
US11	1047	Terre Haute Mfg Plant	\$10,785,415	PolyOne Corporation	3100 North 35TH Street	Terre Haute	IN	47804	US
US11	1102	Macedonia Mfg Plant	\$2,572,063	PolyOne Corporation	775 E. Highland Rd.	Macedonia	OH	44056	US
US11	1103	Bethlehem Mfg Plant	\$4,002,914	PolyOne Corporation	177 Mikron Road	Bethlehem	PA	18020	US
US11	1104	Dyersburg EM Mfg Plant	\$3,056,688	PolyOne Corporation	107 Jackson Street	Dyersburg	TN	38024	US
US11	1106	Seabrook Mfg Plant	\$8,831,009	PolyOne Corporation	Highway 146	Seabrook	TX	77586	US
US11	1201	Glendale Mfg Plant	\$1,302,606	PolyOne Corporation	7601 North Glen Harbor Rd	Glendale	AZ	85307	US
US11	1202	Elk Grove Village Mfg Plant	\$1,393,312	PolyOne Corporation	2400 East Devon Avenue	Elk Grove Village	IL	60007	US
US11	1203	Florence MFG Plant	\$1,034,486	PolyOne Corporation	7915 Foundation Drive	Florence	KY	41042	US
US11	1204	St. Peters Mfg Plant	\$600,658	PolyOne Corporation	7 Guenther Boulevard	ST. Peters	MO	63376	US
US11	1205	Somerset Mfg Plant	\$1,328	PolyOne Corporation	789 New Brunswick Rd	Somerset	NJ	08873	US
US11	1206	Gastonia Mfg Plant	\$59,498	PolyOne Corporation	1851 Chespark Dr	Gastonia	NC	28052	US
US11	1207	Broadview Hts. Mfg Plant	\$737,098	PolyOne Corporation	800 Ken Mar Industrial Parkway	Broadview Heights	OH	44147	US
US11	1208	Norwalk Mfg Plant	\$2,934,316	PolyOne Corporation	80 Northwest Street	Norwalk	OH	44857	US
US11	1209	Lehigh Valley Mfg Plant	\$1,437,515	PolyOne Corporation	2513 Highland Avenue	Bethlehem	PA	18020	US
US11	1210	Vonore Mfg Plant	\$1,048,037	PolyOne Corporation	245 Avecor Drive	Vonore	TN	37885	US
US11	1211	Fort Worth Mfg Plant	\$841,788	PolyOne Corporation	9001 South Freeway	Fort Worth	TX	76140	US
US11	1212	Suwanee Tech Center	\$261,846	PolyOne Corporation	2900 Shawnee Industrial Way	Suwanee	GA	30024	US
US11	ISAO	SC - Alloy Polymers Inc.	\$169,370	SC - Alloy Polymers Inc.	3310 Deep Water Terminal Road	Richmond	VA	23234	US
US11	ISHP	SC - Advanced Polymer Control	\$3,759	SC - Advanced Polymer Control	10709 Susquehanna Trail South	GLENROCK	PA	17327	US
US11	ISIT	SC - Internal Sub NA, PCC	\$482,156	PolyOne Corporation	33587 Walker Road	Avon Lake	OH	44012	US
US11	ISLR	SC - Lancer Dispersions Inc.	\$352	Lancer Dispersions Inc.	1680 East Market Street	AKRON	OH	44305-4246	US
US11	ISNR	SC - Network Resins, Inc.	\$11,140	SC - Network Resins, Inc.	2525 North Shadeland Ave.	Indianapolis	IN	46219	US
US11	IWAR	Frontier Logistics LaPorte	\$112,874	Frontier Logistics	400 North "L" Street	LaPorte	TX	77571	US
US11	IWAY	PolyOne Distribution - Ayer	\$7,765	PolyOne Corporation	91 Fitchburg Rd.	Ayer	MA	01432	US
US11	IWBR	A&R Transport Louisville	\$818,893	A&R Transport	450 Hardin St.	Louisville	KY	40212	US
US11	IWCB	Bulkmatic Trspt - Chicago	\$212,843	PolyOne Corporation	1702 ½ 103rd Street	Chicago	IL	60628	US



Co.Code.	Plant No.	Location	Amount	Name	Address	City	State	Zip	Country
US11	1WCM	Chesterfield Distribution Cent	\$510,856	PolyOne Corporation	29933 Commerce Drive	Chesterfield Township	MI	48051	US
US11	1WCN	CSX Trans-Flo - Charlotte	\$414,481	CSX Charlotte Trans-Flo Term.	6816 CSX Way	Charlotte	NC	28214	US
US11	1WCO	CSX Transflo - Cleveland	\$132,135	CSX Transflo Terminal - Cleve.	2700 West 3rd Street	Cleveland	OH	44113	US
US11	1WDE	Delaware Express Edgemoor	\$1,114,829	Delaware Express Co.	12th St. & J-495 - NS Yard	Edgemoor	DE	19810	US
US11	1WDL	CSX Trans-Flo - Ft. Laud.	\$324,344	CSX Trans-Flo Terminal	890 SW 21st Avenue	Ft. Lauderdale	FL	33312	US
US11	1WDX	Delaware Express, South Plainf	\$218,327	Delaware Express, South Plainf	Kentile Road	South Plainfield	NJ	07081	US
US11	1WEM	Eagan Distribution Center	\$27,741	PolyOne Corporation	3160 Neil Armstrong	Eagan	MN	55121	US
US11	1WEO	PCC - Elyria Warehouse	\$5,432,206	PolyOne Corporation	1406 Lowell St.	Elyria	OH	44035	US
US11	1WHA	Bulkmatic Transp-Huntsville	\$31,907	PolyOne Corporation	119 Woodson Street	Huntsville	AL	35801	US
US11	1WHI	Bulkmatic Transprt-Hodgkins	\$41,494	Bulkmatic Transport-Hodgkins	7000 Santa Fe Drive	Hodgkins	IL	60525	US
US11	1WHL	Unicco Warehouse Halls TN	\$1,663,528	PolyOne Corporation	300 Entrance Road	Halls	TN	38040	US
US11	1WHT	Unicco Warehouse - Houston	\$288,343	PolyOne Corporation	7198 Mykawa Road	Houston	TX	77033	US
US11	1WHU	MCC Transport, Inc.	\$3,695,130	MCC Transport, Inc.	4700 Blaffer	Houston	TX	77026	US
US11	1WHW	PolyOne Distribution - Hazelwood	\$285,630	PolyOne Corporation	7275 Hazelwood Ave.	Hazelwood	MO	63042	US
US11	1WIP	Priority Transport	\$3,843	Priority Transport	Marginal Los Angeles	Isla Verde	PR	00984	US
US11	1WLA	Lesbro Co. - Los Angeles	\$211,272	Lesbro Company	5724 Bandini Boulevard	Los Angeles	CA	90040	US
US11	1WLC	Ventura-Lesbro, Commerce	\$56	PolyOne Corporation	3416 South Garfield Ave	Commerce	CA	90040	US
US11	1WLK	Unicco Warehouse - Louisville	\$2,431,652	PolyOne Corporation	7821 National Turnpike - Bld 8	Louisville	KY	40214	US
US11	1WLM	PolyOne Distribution - Lemont	\$169,193	PolyOne Corporation	990 East 107th Street	Lemont	IL	60439	US
US11	1WLN	Unicco Warehouse - Farmingdale	\$2,785,009	PolyOne Corporation	1715 Oak Street	Lakewood	NJ	08701	US
US11	1WLS	Truck/Rail Handling Tacoma	\$170,902	Truck/Rail Handling Tacoma	457 East 18th Street	Tacoma	WA	98421	US
US11	1WMI	Massillon WHSE (PCC)	\$54,197	PolyOne Corporation	1675 Navarre Road	Massillon	OH	44646	US
US11	1WPI	Bulkmatic Trspt - Pineville	\$81,010	PolyOne Corporation	2820 Nevada Boulevard	Pineville	NC	28273	US
US11	1WPT	Pedricktown Warehouse - CC	-	PolyOne Corporation	Route 130 & Porcupine Road	Pedricktown	NJ	08067	US
US11	1WPX	Jacobsen Warehouse	\$162,145	Jacobsen Warehouse	2626 S. 7th Street	Phoenix	AZ	85034	US
US11	1WRC	Rancho Cucamonga Distribution	\$576,425	Rancho Cucamonga Distribution	11400-B Newport Avenue	Rancho Cucamonga	CA	91730	US
US11	1WSV	Statesville Distribution	\$75,299	PolyOne Corporation	114 Morehead Road	Statesville	NC	28677	US
US11	1WTB	A&R Transport Terre Haute	\$724,751	A&R Transport	1501 N. Savana Avenue	Terre Haute	IN	47804	US
US11	1WTM	Tacoma Distribution	\$157,906	PolyOne Corporation	4200 Industry Drive East Suite	Tacoma	WA	98424	US
US11	1WVC	Vancouver Distribution	-	PolyOne Corporation	2851 NW Lower River Road	Vancouver	WA	98660	US
US11	1WVI	Major Prime Plastics	\$91,976	Major Prime Plastics	649 North Ardmore Avenue	Villa Park	IL	60184	US

Co.Code.	Plant No.	Location	Amount	Name	Address	City	State	Zip	Country
US11	1WWM	A&R Distribution, Ware MA	-	A&R Distribution, Ware MA	60 East Street	Ware	MA	01082	US
US11	US11	Company US11 B2B Q1T Plant	\$3,912,099	PolyOne Corporation	33587 Walker Road	Avon Lake	OH	44012	US
US12	1016	Plaquemine Mfg Plant	\$1,364,524	PVC Powder Blends, LP	21120 Warren Street	Plaquemine	LA	70764	US
US12	1036	Pasadena Mfg Plant	\$1,310,127	PVC Powder Blends, LP	4402 Pasadena Freeway	Pasadena	TX	77501-2005	US
US12	1WPL	Unicco Warehouse - Port Allen	\$947,674	PolyOne Corporation	525 Elevator Road	Port Allen	LA	70767	US
US12	US12	Company US12 B2B Q1T Plant	\$102,826	PolyOne Corporation	33587 Walker Road	Avon Lake	OH	44012	US
US21	2014	Pedricktown Resin Mfg	\$2,664,098	PolyOne Corporation	Route 130 & Porcupine Road	Pedricktown	NJ	08067	US
US21	2019	Henry Mfg Plant	\$4,230,778	PolyOne Corporation	1546 County Rd 1450 North	Henry	IL	61537-9706	US
US21	2WAL	Avon Lake Warehouse - SR	-	PolyOne Corporation	33587 Walker Road	Avon Lake	OH	44012	US
US21	2WAZ	Erdner Busy Cnrs Woodstown	\$9,602	PolyOne Corporation	Route 45	Woodstown	NJ	08098	US
US21	2WEO	Elyria Warehouse	\$606,399	PolyOne Corporation	1406 Lowell St.	Elyria	OH	44035	US
US21	2WLB	Long Beach Warehouse - SR	\$13,743	PolyOne Corporation	2104 East 223RD Street	Long Beach	CA	90810	US
US21	2WSW	Middlebrook Stillwater	\$652,084	PolyOne Corporation	3324 N. Park Avenue	Stillwater	OK	74075	US
US21	2WTH	Terre Haute Warehouse - SR	0	PolyOne Corporation	3100 North 35TH Street	Terre Haute	IN	47804	US
US22	2050	Sussex Manufacturing Plant	\$2,113,814	PolyOne Corporation	W227 N6225 Sussex Road	Sussex	WI	53089	US
US22	2051	N. Baltimore Manufacturing Plant	\$2,438,544	PolyOne Corporation	733 East Water Street	North Baltimore	OH	45872	US
US22	2053	Sullivan Plant Manufacturing	\$275,148	PolyOne Corporation	204 Industrial Park Drive	Sullivan	MO	63080	US
US22	2055	Kennesaw Manufacturing Plant	\$3,299,576	PolyOne Corporation	8155 Cobb Center Drive	Kennesaw	GA	30152	US
US22	2056	Massillon Mfg.	\$824,468	PolyOne Corporation	1675 Navarre Road	Massillon	OH	44646	US
US22	2061	St. Louis Manufacturing Plant	\$1,790,557	PolyOne Corporation	2701 Papin Street	St. Louis	MO	63103	US
US22	2062	Commerce Manufacturing Plant	\$1,148,454	PolyOne Corporation	5705 E. Union Pacific Avenue	Los Angeles	CA	90022	US
US22	2WFO	2WFO	\$7,983	PolyOne Corporation	200 Northparke Dr.	Findlay	OH	45840	US
US22	2WLC	Ventura-Lesbro	\$255,158	PolyOne Corporation	3416 South Garfield Ave	Commerce	CA	90040	US
US31	3002	Santa Fe Springs Mfg Plant	\$656,529	PolyOne Corporation	11841 Wakeman Avenue	Santa Fe Springs	CA	90670	US
US31	3003	Burton Mfg Plant	\$3,580,124	PolyOne Corporation	14330 Kinsman Road	Burton	OH	44021	US
US31	3005	Dyersburg Elastomer Mfg	\$6,610,333	PolyOne Corporation	150 South Connell Avenue	Dyersburg	TN	38024	US
US31	3006	Jonesborough Mfg Plant	\$2,026,543	PolyOne Corporation	260 Old State Route 34	Jonesborough	TN	37659	US
US31	3008	Kennedale Mfg Plant	\$1,146,679	PolyOne Corporation	635 Tower Drive	Kennedale	TX	76060	US
US31	3009	DeForest Mfg Plant	\$1,411,648	PolyOne Corporation	813 Burton Boulevard	DeForest	WI	53532	US
US31	3WHT	Unicco Warehouse, Houston - EL	\$25,605	PolyOne Corporation	7198 Mykawa Road	Houston	TX	77033	US
US32	3001	Wynne Mfg Plant	\$1,764,835	PolyOne Corporation	2400 Bartlett Road	Wynne	AR	72396	US
US32	3SNM	Natrochem Inc	\$46,862	Natrochem Inc	1 Exley Ave	Savannah	GA	31415	US
US32	3WM2	Massillon WHSE (Performance Ad)	\$228,459	PolyOne Corporation	1675 Navarre Road	Massillon	OH	44646	US

Co.Code.	Plant No.	Location	Amount	Name	Address	City	State	Zip	Country
US32	3WML	Massillon Dist Cntr, E&PA	\$219,939	PolyOne Corporation	4075 Millennium Boulevard, SE	Massillon	OH	44646	US
US91	9100	Elyria Central Dist.	\$4,925,027	PolyOne Corporation	1406 Lowell St.	Elyria	OH	44035	US
US91	9101	Houston Central Distribution	\$987,962	PolyOne Corporation	7198 Mykawa Road	Houston	TX	77033	US
US91	9102	Halls, TN Central Distribution	\$2,198,631	PolyOne Corporation	300 Entrance Road	Halls	TN	38040	US
US51	N/A	California	\$3,875,786	Polyone Distribution	11400-A Newport Dr.	Rancho Cucamonga	CA	91730-5523	US
US51	N/A	Inter-Mountain (Denver, CO)	\$3,371,613	PolyOne Distribution	10555 E. 45th Avenue	Denver	CO	80239	US
US51	N/A	Minnesota (Eagan, MN)	\$3,532,628	PolyOne Distribution	3160 Neil Armstrong Drive	Eagan	MN	55121	US
US51	N/A	Texas (Grand Prairie, TX and Hazelwood, MO)	\$3,891,955	PolyOne Distribution	909 Ave. S	Grand Prairie	TX	75050	US
US51	N/A	Michigan (Chesterfield, MI)	\$3,735,325	PolyOne Distribution	29933 Commerce Drive	Chesterfield Township	MI	48051	US
US51	N/A	Ohio (Massillon, OH)	\$5,013,955	PolyOne Distribution	4075 Millennium Blvd. SE	Massillon	OH	44646	US
US51	N/A	Central Valley (Massillon, OH)	\$942,751	PolyOne Distribution	4075 Millennium Blvd. SE	Massillon	OH	44646	US
US51	N/A	Illinois (Lemont, IL)	\$5,831,957	PolyOne Distribution	990 E. 107th Street	Lemont	IL	60439	US
US51	N/A	Southeast (Statesville, NC)	\$4,623,125	PolyOne Distribution	114 Morehead Rd.	Statesville	SC	28677	US
US51	N/A	Northeast (Ayer, MA)	\$5,882,321	PolyOne Distribution	91 Fitchburg Rd.	Ayer	MA	01432	US
US51	N/A	Sec Resin (Ayer, MA)	\$54,448	PolyOne Distribution	91 Fitchburg Rd.	Ayer	MA	01432	US
US51	N/A	Other-In Transit POD	\$3,862,000	PolyOne Distribution	990 E. 107th Street	Lemont	IL	60439	US
		LIFO reserve	(\$23,931,000)	PolyOne Corporation	33587 Walker Road	Avon Lake	OH	44012	US
N/A	N/A	Other	(\$3,076,887)	PolyOne Corporation	33587 Walker Road	Avon Lake	OH	44012	US
		<b>Balance 12/31/02</b>	<b>\$174,031,062</b>						

CHANGES IN NAME, LOCATION, ETC.

Changes in the Debtor's Name (including new debtor with a new name and names associated with all predecessors in interest of the Debtor)

1. PolyOne Corporation was formed on August 31, 2000 upon the consolidation of The Geon Company, a Delaware corporation ("Geon") and M.A. Hanna Company, a Delaware corporation ("Hanna"). Geon operated under its name from 1993 and Hanna operated under its name from 1985, until consolidation into PolyOne Corporation.

Changes in the Debtor's Location

None

Changes in the Debtor's Chief Executive Office

Changes in Location of Inventory and Equipment

None

Changes in the Type of Organization

None

Changes in the Jurisdiction of Organization

Changes in the Organizational Identification Number

None

C-2

**FORM OF INTELLECTUAL PROPERTY SECURITY AGREEMENT**

This INTELLECTUAL PROPERTY SECURITY AGREEMENT (as amended, amended and restated, supplemented or otherwise modified from time to time, the "IP Security Agreement") dated \_\_\_\_\_, 2003, is made by PolyOne Corporation, an Ohio corporation (the "Grantor") in favor of U.S. BANK TRUST NATIONAL ASSOCIATION, as corporate trustee, and Angelita Pena, as individual trustee and, together with the corporate trustee, the "Collateral Trustees" for the Representatives and the Secured Holders (as defined in the Collateral Trust Agreement referred to below).

PRELIMINARY STATEMENTS.

1. PolyOne Corporation, an Ohio corporation, has entered into a Collateral Trust Agreement dated as of January 25, 2002 (as amended, amended and restated, supplemented or otherwise modified from time to time, the "Collateral Trust Agreement"), with the Collateral Trustees. Terms defined in the Collateral Trust Agreement and not otherwise defined herein are used herein as defined in the Collateral Trust Agreement.

2. The Grantor has executed and delivered that certain Amended and Restated Security Agreement dated May 6, 2003 made by the Grantor to the Collateral Trustees (as amended, amended and restated, supplemented or otherwise modified from time to time, the "Amended and Restated Security Agreement").

3. Under the terms of the Amended and Restated Security Agreement, the Grantor has granted a security interest in, among other property, certain intellectual property of the Grantor to the Collateral Trustees for the ratable benefit of the Representatives and the Secured Holders, and has agreed as a condition thereof to execute this IP Security Agreement for recording with the U.S. Patent and Trademark Office, the United States Copyright Office and other governmental authorities.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Grantor agrees as follows:

SECTION 1. Grant of Security. The Grantor hereby grants to the Collateral Trustees for the ratable benefit of the Representatives and the Secured Holders a security interest in and to all of the Grantor's right, title and interest in and to the following (the "Collateral"):

(i) the United States patents and patent applications set forth in Schedule A hereto together with all reissues, divisions, continuations, continuations-in-part, extensions and reexaminations thereof, and all rights therein provided by international treaties or conventions (the "Patents");

(ii) the United States trademark and service mark registrations and applications set forth in Schedule B hereto (the "Trademarks");

(iii) the United States copyrights and copyright registrations and applications set forth in Schedule C hereto (the "Copyrights");

(iv) any and all claims for damages for past, present and future infringement, misappropriation or breach with respect to the Patents, Trademarks and Copyrights, with

the right, but not the obligation, to sue for and collect, or otherwise recover, such damages; and

(v) any and all proceeds of the foregoing.

SECTION 2. Security for Obligations. The grant of a security interest in the Collateral by the Grantor under this IP Security Agreement secures the payment of all Secured Obligations of the Grantor.

SECTION 3. Recordation. The Grantor authorizes and requests that the Register of Copyrights, the Commissioner of Patents and Trademarks and any other applicable government officer record this IP Security Agreement.

SECTION 4. Execution in Counterparts. This IP Security Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

SECTION 5. Grants, Rights and Remedies. This IP Security Agreement has been entered into in conjunction with the provisions of the Amended and Restated Security Agreement. The Grantor does hereby acknowledge and confirm that the grant of the security interest hereunder to, and the rights and remedies of, the Collateral Trustees with respect to the Collateral are more fully set forth in the Amended and Restated Security Agreement, the terms and provisions of which are incorporated herein by reference as if fully set forth herein.

SECTION 6. Governing Law. This IP Security Agreement shall be governed by, and construed in accordance with, the laws of the State of New York.

IN WITNESS WHEREOF, the Grantor has caused this IP Security Agreement to be duly executed and delivered by its officer thereunto duly authorized as of the date first above written.

POLYONE CORPORATION

By \_\_\_\_\_

Name:

Title:

Address for Notices:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_



**FORM OF INTELLECTUAL PROPERTY SECURITY AGREEMENT SUPPLEMENT**

This INTELLECTUAL PROPERTY SECURITY AGREEMENT SUPPLEMENT (this "IP Security Agreement Supplement") dated \_\_\_\_\_, \_\_\_\_\_, is made by the Person listed on the signature page hereof (the "Grantor") in favor of in favor of U.S. BANK TRUST NATIONAL ASSOCIATION, as corporate trustee, and Angelita Pena, as individual trustee and, together with the corporate trustee, the "Collateral Trustees" for the Representatives and the Secured Holders (as defined in the Collateral Trust Agreement referred to below).

PRELIMINARY STATEMENTS.

1. PolyOne Corporation, an Ohio corporation, has entered into a Collateral Trust Agreement dated as of January 25, 2002 (as amended, amended and restated, supplemented or otherwise modified from time to time, the "Collateral Trust Agreement"), with the Collateral Trustees. Terms defined in the Collateral Trust Agreement and not otherwise defined herein are used herein as defined in the Collateral Trust Agreement.

2. The Grantor and certain other Persons have executed and delivered that certain Amended and Restated Security Agreement dated May 6, 2003 made by the Grantor to the Collateral Trustees (as amended, amended and restated, supplemented or otherwise modified from time to time, the "Amended and Restated Security Agreement") and that certain Intellectual Property Security Agreement dated May 6, 2003 (as amended, amended and restated, supplemented or otherwise modified from time to time, the "IP Security Agreement").

3. Under the terms of the Amended and Restated Security Agreement, the Grantor has granted a security interest in the Additional Collateral (as defined in Section 1 below) of the Grantor to the Collateral Trustees for the ratable benefit of the Representatives and the Secured Holders and has agreed as a condition thereof to execute this IP Security Agreement Supplement for recording with the U.S. Patent and Trademark Office, the United States Copyright Office and other governmental authorities.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Grantor agrees as follows:

SECTION 7. Confirmation of Grant of Security. The Grantor hereby grants to the Collateral Trustees for the ratable benefit of the Representatives and the Secured Holders a security interest in and to all of the Grantor's right, title and interest in and to the following (the "Additional Collateral"):

(i) The United States patents and patent applications set forth in Schedule A hereto, together with all reissues, divisions, continuations, continuations-in-part, extensions and reexaminations thereof, and all rights therein provided by international treaties or conventions (the "Patents");

(ii) The United States trademark and service mark registrations and applications set forth in Schedule B hereto (the "Trademarks");

(iii) The United States copyrights and copyright registrations and applications set forth in Schedule C hereto (the "Copyrights");

(iv) any and all claims for damages for past, present and future infringement, misappropriation or breach with respect to the Patents, Trademarks and Copyrights, with the right, but not the obligation, to sue for and collect, or otherwise recover, such damages; and

(v) any and all proceeds of the foregoing.

SECTION 8. Supplement to Security Agreement. Schedule II to the Amended and Restated Security Agreement is, effective as of the date hereof, hereby supplemented to add to such Schedule the Additional Collateral.

SECTION 9. Security for Obligations. The grant of a security interest in the Additional Collateral by the Grantor under this IP Security Agreement Supplement secures the payment of all Secured Obligations of the Grantor.

SECTION 10. Recordation. The Grantor authorizes and requests that the Register of Copyrights, the Commissioner of Patents and Trademarks and any other applicable government officer to record this IP Security Agreement Supplement.

SECTION 11. Grants, Rights and Remedies. This IP Security Agreement Supplement has been entered into in conjunction with the provisions of the Amended and Restated Security Agreement. The Grantor does hereby acknowledge and confirm that the grant of the security interest hereunder to, and the rights and remedies of, the Collateral Trustees with respect to the Additional Collateral are more fully set forth in the Amended and Restated Security Agreement, the terms and provisions of which are incorporated herein by reference as if fully set forth herein.

SECTION 12. Governing Law. This IP Security Agreement Supplement shall be governed by, and construed in accordance with, the laws of the State of New York.

IN WITNESS WHEREOF, the Grantor has caused this IP Security Agreement Supplement to be duly executed and delivered by its officer thereunto duly authorized as of the date first above written.

[NAME OF GRANTOR]

By \_\_\_\_\_

Name:

Title:

Address for Notices:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Resignation and Appointment Agreement dated as of May 1, 2003 among Citicorp USA, Inc. ("Agent"), PolyOne Corporation ("Company"), State Street Bank and Trust Company N.A. ("State Street"), and U.S. Bank Trust National Association ("U.S. Bank").

**Recitals**

State Street was appointed as Corporate Trustee under the Real Estate Collateral Trust Agreement dated as of January 25, 2002 (the "Agreement"). U.S. Bank recently acquired substantially all of the corporate trust business of State Street and the parties hereto wish to substitute U.S. Bank for State Street as Corporate Trustee under the Agreement.

**SECTION 1. Resignation and Appointment.** State Street hereby resigns as Corporate Trustee under the Agreement and the Agent hereby appoints U.S. Bank as the successor Corporate Trustee under the Agreement. Such resignation and appointment shall be effective as of the date first above written (the "Effective Date").

**SECTION 2. Acceptance.** U.S. Bank hereby accepts, as of the Effective Date, its appointment as successor Corporate Trustee under the Agreement and assumes all of the rights, powers, duties, immunities and trusts of the Corporate Trustee under the Agreement.

**SECTION 3. Transfer of Property.** State Street has delivered and transferred to, or holds as custodial agent for, U.S. Bank as successor Corporate Trustee all securities, applicable monies and other properties held by it, if any, as Corporate Trustee under the Agreement.

**SECTION 4. Miscellaneous.** This Resignation and Appointment Agreement shall be governed by the same laws as specified under the Agreement.

**SECTION 5. Counterparts.** This Resignation and Appointment Agreement may be signed in counterparts, each of which shall be regarded as the original and all of which shall constitute one and the same agreement.

**SECTION 6. Notices.** All notices and communications to be delivered to U.S. Bank as Corporate Trustee under the Agreement shall be delivered in the manner provided therein to U.S. Bank at 100 Wall Street, Suite 1600, New York, NY 10005 Attention: Corporate Trust Services.

**SECTION 7. Consent.** The undersigned hereby consents to the within appointment.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed by their respective duly authorized officers as of the date first above written.

CONSENTED TO:  
PolyOne Corporation as Company  
By: \_\_\_\_\_

Citicorp USA, Inc. as Agent  
By: [Signature]  
CAROL VALL SHERIDAN  
MANAGING DIRECTOR & VICE PRESIDENT

State Street Bank and Trust Company N.A. as  
Corporate Trustee  
By: [Signature]  
Attorney-in-Fact

U.S. Bank Trust National Association as  
Successor Corporate Trustee  
By: [Signature]  
Angelita Pena, Account Manager

Resignation and Appointment Agreement dated as of May 1, 2003 among Citicorp USA, Inc. ("Agent"), PolyOne Corporation ("Company"), State Street Bank and Trust Company N.A. ("State Street"), and U.S. Bank Trust National Association ("U.S. Bank").

**Recitals**

State Street was appointed as Corporate Trustee under the Collateral Trust Agreement dated as of January 25, 2002 (the "Agreement"). U.S. Bank recently acquired substantially all of the corporate trust business of State Street and the parties hereto wish to substitute U.S. Bank for State Street as Corporate Trustee under the Agreement.

**SECTION 1. Resignation and Appointment.** State Street hereby resigns as Corporate Trustee under the Agreement and the Agent hereby appoints U.S. Bank as the successor Corporate Trustee under the Agreement. Such resignation and appointment shall be effective as of the date first above written (the "Effective Date").

**SECTION 2. Acceptance.** U.S. Bank hereby accepts, as of the Effective Date, its appointment as successor Corporate Trustee under the Agreement and assumes all of the rights, powers, duties, immunities and trusts of the Corporate Trustee under the Agreement.

**SECTION 3. Transfer of Property.** State Street has delivered and transferred to, or holds as custodial agent for, U.S. Bank as successor Corporate Trustee all securities, applicable monies and other properties held by it, if any, as Corporate Trustee under the Agreement.

**SECTION 4. Miscellaneous.** This Resignation and Appointment Agreement shall be governed by the same laws as specified under the Agreement.

**SECTION 5. Counterparts.** This Resignation and Appointment Agreement may be signed in counterparts, each of which shall be regarded as the original and all of which shall constitute one and the same agreement.

**SECTION 6. Notices.** All notices and communications to be delivered to U.S. Bank as Corporate Trustee under the Agreement shall be delivered in the manner provided therein to U.S. Bank at 100 Wall Street, Suite 1600, New York, NY 10005 Attention: Corporate Trust Services.

**SECTION 7. Consent.** The undersigned hereby consents to the within appointment.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed by their respective duly authorized officers as of the date first above written.

CONSENTED TO:  
PolyOne Corporation as Company

Citicorp USA, Inc. as Agent

By: 

By: \_\_\_\_\_

State Street Bank and Trust Company N.A. as  
Corporate Trustee

By: 

Attorney-in-Fact

U.S. Bank Trust National Association as  
Successor Corporate Trustee

By: 

Angelita Peña, Account Manager