

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

RECORDATION FORM COVER SHEET TRADEMARKS ONLY

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

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

1. Name of conveying party(ies): Specialty Filaments, Inc. [ ] Individual(s) [ ] Association [ ] General Partnership [ ] Limited Partnership [x] Corporation-State DE [ ] Other Additional name(s) of conveying party(ies) attached? [ ] Yes [x] No

2. Name and address of receiving party(ies) Name: Wells Fargo Business Credit, Inc. Internal Address: Street Address: 300 Commercial Street City: Boston State: MA Zip: 02109 [ ] Individual(s) citizenship [ ] Association [ ] General Partnership [ ] Limited Partnership [x] Corporation-State MN [ ] Other If assignee is not domiciled in the United States, a domestic representative designation is attached: [ ] Yes [x] No (Designations must be a separate document from assignment) Additional name(s) & address(es) attached? [ ] Yes [x] No

3. Nature of conveyance: [ ] Assignment [ ] Merger [x] Security Agreement [ ] Change of Name [ ] Other Execution Date: 04/21/04

4. Application number(s) or registration number(s): A. Trademark Application No.(s) B. Trademark Registration No.(s) Additional number(s) attached [x] Yes [ ] No

5. Name and address of party to whom correspondence concerning document should be mailed: Name: Christopher E. Kondracki Internal Address: Street Address: 2001 Jefferson Davis, Hwy. Suite 1007 City: Arlington State: VA Zip: 22202

6. Total number of applications and registrations involved: 40 7. Total fee (37 CFR 3.41): \$ 1015.00 [ ] Enclosed [x] Authorized to be charged to deposit account 8. Deposit account number: 19-3545

DO NOT USE THIS SPACE

9. Signature. Christopher E. Kondracki Name of Person Signing [Signature] Signature 6/4/04 Date

Total number of pages including cover sheet, attachments, and documents 17

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

CH \$966.00 193646 1918007

**Trademark Applications  
Continuation of Item 4A**

<b>Mark</b>	<b>Registrations</b>
Process for Ring-Dyeing Filaments	10/015,915
Thermoplastic Sheet Abrasives and Methods of Making the Same	10/765,365

**Trademark Registrations  
Continuation of Item 4B**

<b>Mark</b>	<b>Registrations</b>
Abralon	1,918,007
Angle Cut	781,529
Bristex	2,132,656
Bristrand	440,358
Broomstrand	1,381,410
Dura-Palm	2,270,707
Durastran	611,251
Estrand	1,381,411
Fine Line	1,381,409
Hollo	810,583
Kilmarn	1,381,412
Lon	718,398
Lonex	770,962
Nyle	790,533

**Trademark Registrations  
Continuation of Item 4B**

<b>Mark</b>	<b>Registrations</b>
Nylex	654,594
Pex	654,596
Plyer	982,391
Polybass	1,167,359
Polycom	936,884
Polymet-O	1,471,401
Polypalm	1,159,209
Polystar-O	808,263
Powerlite	2,201,306
Proex	807,708
Prope	807,709
Propylite	1,361,877
Prosava	838,148
Prostran	703,717
Quill	765,284
RIPL Prostran	1,477,691
Silvershield	2,805,504
Spiralbind	1,589,942
Tampyl	792,763
Tri-Color	658,173

**Trademark Registrations  
Continuation of Item 4B**

Tripro	1,415,879
Ultra-Fil	2,754,180
Wave	2,428,661
Wytex	916,957

## PATENT AND TRADEMARK SECURITY AGREEMENT

This Agreement, dated as of April 21 2004, is made by and between Specialty Filaments, Inc., a Delaware corporation having a business location at the address set forth below next to its signature (the "Debtor"), and Wells Fargo Business Credit, Inc., a Minnesota corporation having a business location at the address set forth below next to its signature (the "Secured Party").

### Recitals

The Debtor and the Secured Party are parties to a Credit and Security Agreement of even date herewith (as the same may hereafter be amended, supplemented or restated from time to time, the "Credit Agreement") setting forth the terms on which the Secured Party may now or hereafter extend credit to or for the account of the Debtor.

As a condition to extending credit to or for the account of the Debtor, the Secured Party has required the execution and delivery of this Agreement by the Debtor.

ACCORDINGLY, in consideration of the mutual covenants contained in the Loan Documents and herein, the parties hereby agree as follows:

1. Definitions. All terms defined in the Recitals hereto or in the Credit Agreement that are not otherwise defined herein shall have the meanings given to them therein. In addition, the following terms have the meanings set forth below:

"Obligations" means each and every debt, liability and obligation of every type and description arising under or in connection with any Loan Document (as defined in the Credit Agreement) which the Debtor may now or at any time hereafter owe to the Secured Party, whether such debt, liability or obligation now exists or is hereafter created or incurred and whether it is or may be direct or indirect, due or to become due, absolute or contingent, primary or secondary, liquidated or unliquidated, independent, joint, several or joint and several, and including specifically, but not limited to, the Obligations (as defined in the Credit Agreement).

"Patents" means all of the Debtor's right, title and interest in and to patents or applications for patents, fees or royalties with respect to each, and including without limitation the right to sue for past infringement and damages therefor, and licenses thereunder, all as presently existing or hereafter arising or acquired, including without limitation the patents listed on Exhibit A.

"Security Interest" has the meaning given in Section 2.

"Trademarks" means all of the Debtor's right, title and interest in and to: (i) trademarks, service marks, collective membership marks, registrations and applications for registration for each, and the respective goodwill associated with each, (ii) licenses, fees or royalties with respect to each, (iii) the right to sue for past, present and future infringement, dilution and damages therefor, (iv) and licenses thereunder, all as presently existing or hereafter arising or acquired, including, without limitation, the marks listed on Exhibit B.

2. Security Interest. The Debtor hereby irrevocably pledges and assigns to, and grants the Secured Party a security interest (the "Security Interest"), with power of sale to the extent permitted by law, in the Patents and in the Trademarks to secure payment of the Obligations. As set forth in the Credit Agreement, the Security Interest is coupled with a security interest in substantially all of the personal property of the Debtor.

3. Representations, Warranties and Agreements. The Debtor represents, warrants and agrees as follows.

(a) Patents. Exhibit A accurately lists all Patents owned or controlled by the Debtor as of the date hereof, or to which the Debtor has a right as of the date hereof to have assigned to it, and accurately reflects the existence and status of applications and letters patent pertaining to the Patents as of the date hereof. If after the date hereof, the Debtor owns, controls or has a right to have assigned to it any Patents not listed on Exhibit A, or if Exhibit A ceases to accurately reflect the existence and status of applications and letters patent pertaining to the Patents, then the Debtor shall within 60 days provide written notice to the Secured Party with a replacement Exhibit A, which upon acceptance by the Secured Party shall become part of this Agreement.

(b) Trademarks. Exhibit B accurately lists all Trademarks owned or controlled by the Debtor as of the date hereof and accurately reflects the existence and status of Trademarks and all applications and registrations pertaining thereto as of the date hereof; provided, however, that Exhibit B need not list common law marks (i.e., Trademarks for which there are no applications or registrations) which are not material to the Debtor's or any Affiliate's business(es). If after the date hereof, the Debtor owns or controls any Trademarks not listed on Exhibit B (other than common law marks which are not material to the Debtor's or any Affiliate's business(es)), or if Exhibit B ceases to accurately reflect the existence and status of applications and registrations pertaining to the Trademarks, then the Debtor shall within thirty (30) days provide written notice to the Secured Party with a replacement Exhibit B, which upon acceptance by the Secured Party shall become part of this Agreement.

(c) Affiliates. As of the date hereof, no Affiliate owns, controls, or has a right to have assigned to it any items that would, if such item were owned by the Debtor, constitute Patents or Trademarks. If after the date hereof any Affiliate owns, controls, or has a right to have assigned to it any such items, then the Debtor shall promptly either: (i) cause such Affiliate to assign all of its rights in such item(s) to the Debtor; or (ii) notify the Secured Party of such item(s) and cause such Affiliate to execute and deliver to the Secured Party a patent and trademark security agreement substantially in the form of this Agreement.

(d) Title. The Debtor has good and marketable title to each Patent and each Trademark listed on Exhibits A and B, free and clear of all Liens except Permitted Liens. The Debtor (i) will have, at the time the Debtor acquires any rights in Patents or Trademarks hereafter arising, good and marketable title to each such Patent or Trademark free and clear of all Liens except Permitted Liens, and (ii) will keep all Patents and Trademarks free and clear of all Liens except Permitted Liens.

(e) No Sale. Except as permitted in the Credit Agreement, the Debtor will not assign, transfer, encumber or otherwise dispose of the Patents or Trademarks, or any interest therein, without the Secured Party's prior written consent.

(f) **Defense.** The Debtor will at its own expense and using commercially reasonable efforts, protect and defend the Patents and Trademarks against all claims or demands of all Persons other than those holding Permitted Liens.

(g) **Maintenance.** The Debtor will at its own expense maintain the Patents and the Trademarks to the extent reasonably advisable in its business including, but not limited to, filing all applications to obtain letters patent or trademark registrations and all affidavits, maintenance fees, annuities, and renewals possible with respect to letters patent, trademark registrations and applications therefor. The Debtor covenants that it will not abandon nor fail to pay any maintenance fee or annuity due and payable on any Patent or Trademark, nor fail to file any required affidavit or renewal in support thereof, without first providing the Secured Party: (i) sufficient written notice, of at least 30 days, to allow the Secured Party to timely pay any such maintenance fees or annuities which may become due on any Patents or Trademarks, or to file any affidavit or renewal with respect thereto, and (ii) a separate written power of attorney or other authorization to pay such maintenance fees or annuities, or to file such affidavit or renewal, should such be necessary or desirable.

(h) **Secured Party's Right to Take Action.** If the Debtor fails to perform or observe any of its covenants or agreements set forth in this Section 3, and if such failure continues for a period of ten (10) calendar days after the Secured Party gives the Debtor written notice thereof (or, in the case of the agreements contained in subsection (h), immediately upon the occurrence of such failure, without notice or lapse of time), or if the Debtor notifies the Secured Party that it intends to abandon a Patent or Trademark, the Secured Party may (but need not) perform or observe such covenant or agreement or take steps to prevent such intended abandonment on behalf and in the name, place and stead of the Debtor (or, at the Secured Party's option, in the Secured Party's own name) and may (but need not) take any and all other actions which the Secured Party may reasonably deem necessary to cure or correct such failure or prevent such intended abandonment.

(i) **Costs and Expenses.** Except to the extent that the effect of such payment would be to render any loan or forbearance of money usurious or otherwise illegal under any applicable law, the Debtor shall pay the Secured Party on demand the amount of all moneys expended and all costs and expenses (including reasonable attorneys' fees and disbursements) incurred by the Secured Party in connection with or as a result of the Secured Party's taking action under subsection (i) or exercising its rights under Section 6, together with interest thereon from the date expended or incurred by the Secured Party at the Default Rate.

(j) **Power of Attorney.** To facilitate the Secured Party's taking action under subsection (i) and exercising its rights under Section 6, the Debtor hereby irrevocably appoints (which appointment is coupled with an interest) the Secured Party, or its delegate, as the attorney-in-fact of the Debtor with the right (but not the duty) from time to time to create, prepare, complete, execute, deliver, endorse or file, in the name and on behalf of the Debtor, any and all instruments, documents, applications, financing statements, and other agreements and writings required to be obtained, executed, delivered or endorsed by the Debtor under this Section 3, or, necessary for the Secured Party, after an Event of Default, to enforce or use the Patents or Trademarks or to grant or issue any exclusive or non-exclusive license under the Patents or Trademarks to any third party, or to sell, assign, transfer, pledge, encumber or otherwise transfer title in or dispose of the Patents or Trademarks to any third party. The power of attorney granted herein shall terminate upon the termination of the Credit Agreement as provided therein and the payment and performance of all Obligations.

4. Debtor's Use of the Patents and Trademarks. The Debtor shall be permitted to control and manage the Patents and Trademarks, including the right to exclude others from making, using or selling items covered by the Patents and Trademarks and any licenses thereunder, in the same manner and with the same effect as if this Agreement had not been entered into, so long as no Event of Default occurs and remains uncured.

5. Events of Default. Each of the following occurrences shall constitute an event of default under this Agreement (herein called "Event of Default"): (a) an Event of Default, as defined in the Credit Agreement, shall occur; or (b) the Debtor shall fail promptly to observe or perform any covenant or agreement herein binding on it; or (c) any of the representations or warranties contained in Section 3 shall prove to have been incorrect in any material respect when made.

6. Remedies. Upon the occurrence of an Event of Default and at any time thereafter, the Secured Party may, at its option, take any or all of the following actions:

(a) The Secured Party may exercise any or all remedies available under the Credit Agreement.

(b) The Secured Party may sell, assign, transfer, pledge, encumber or otherwise dispose of the Patents and Trademarks in accordance with the Credit Agreement.

(c) The Secured Party may enforce the Patents and Trademarks and any licenses thereunder, and if Secured Party shall commence any suit for such enforcement, the Debtor shall, at the request of Secured Party, do any and all lawful acts and execute any and all proper documents required by Secured Party in aid of such enforcement.

7. Miscellaneous. This Agreement can be waived, modified, amended, terminated or discharged, and the Security Interest can be released, only explicitly in a writing signed by the Secured Party. A waiver signed by the Secured Party shall be effective only in the specific instance and for the specific purpose given. Mere delay or failure to act shall not preclude the exercise or enforcement of any of the Secured Party's rights or remedies. All rights and remedies of the Secured Party shall be cumulative and may be exercised singularly or concurrently, at the Secured Party's option, and the exercise or enforcement of any one such right or remedy shall neither be a condition to nor bar the exercise or enforcement of any other. All notices to be given to Debtor under this Agreement shall be given in the manner and with the effect provided in the Credit Agreement. The Secured Party shall not be obligated to preserve any rights the Debtor may have against prior parties, to realize on the Patents and Trademarks at all or in any particular manner or order, or to apply any cash proceeds of Patents and Trademarks in any particular order of application. This Agreement shall be binding upon and inure to the benefit of the Debtor and the Secured Party and their respective participants, successors and assigns and shall take effect when signed by the Debtor and delivered to the Secured Party, and the Debtor waives notice of the Secured Party's acceptance hereof. The Secured Party may execute this Agreement if appropriate for the purpose of filing, but the failure of the Secured Party to execute this Agreement shall not affect or impair the validity or effectiveness of this Agreement. A carbon, photographic or other reproduction of this Agreement or of any financing statement signed by the Debtor shall have the same force and effect as the original for all purposes of a financing statement. This Agreement shall be governed by the internal law of the Commonwealth of Massachusetts without regard to conflicts of law provisions. If any provision or application of this Agreement is held unlawful or unenforceable in any respect, such illegality or unenforceability shall not affect other provisions or applications which can be given effect and this Agreement shall be construed as if the unlawful or unenforceable provision or application had never been contained herein or prescribed hereby. All representations and warranties



contained in this Agreement shall survive the execution, delivery and performance of this Agreement and the creation and payment of the Obligations.

**THE PARTIES WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING BASED ON OR PERTAINING TO THIS AGREEMENT.**

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties have executed this Patent and Trademark Security Agreement as of the date written above.

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

SPECIALTY FILAMENTS, INC.

By  \_\_\_\_\_

Wells Fargo Business Credit, Inc.  
300 Commercial Street  
Boston, Massachusetts 02109

WELLS FARGO BUSINESS CREDIT, INC.

By \_\_\_\_\_  
\_\_\_\_\_  
Its Vice President

IN WITNESS WHEREOF, the parties have executed this Patent and Trademark Security Agreement as of the date written above.

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

SPECIALTY FILAMENTS, INC.

By \_\_\_\_\_

Wells Fargo Business Credit, Inc.

WELLS FARGO BUSINESS CREDIT, INC.

300 Commercial Street

Boston, Massachusetts 02109

By *Robert C. Clark*  
*Robert C. Clark*  
Its Vice President  
*Assistant*

COMMONWEALTH OF MASSACHUSETTS

Suffolk, ss.

April 21, 2004

Then personally appeared the above-name Arthur C. Flohn, the Asst. V. P. of Specialty Filaments, Inc., and acknowledged the foregoing to be free act and deed, and the free act and deed of Specialty Filaments, Inc., before me.

Walter M. Lepore  
Notary Public  
My Commission Expires: July 12, 2007

COMMONWEALTH OF MASSACHUSETTS

\_\_\_\_\_, ss.

\_\_\_\_\_, 2004

Then personally appeared the above-name \_\_\_\_\_, a Vice President of Wells Fargo Business Credit, Inc., a Minnesota corporation, and acknowledged the foregoing to be free act and deed, and the free act and deed of Wells Fargo Business Credit, Inc., before me,

\_\_\_\_\_  
Notary Public

COMMONWEALTH OF MASSACHUSETTS

Suffolk, ss. \_\_\_\_\_, 2004

Then personally appeared the above-name Daniel J. Boehn, the President of Specialty Filaments, Inc., and acknowledged the foregoing to be free act and deed, and the free act and deed of Specialty Filaments, Inc., before me,

Doreen A. Donnell  
Notary Public  
my commission expires: 9-3-10

COMMONWEALTH OF MASSACHUSETTS

\_\_\_\_\_, ss. \_\_\_\_\_, 2004

Then personally appeared the above-name \_\_\_\_\_, a Vice President of Wells Fargo Business Credit, Inc., a Minnesota corporation, and acknowledged the foregoing to be free act and deed, and the free act and deed of Wells Fargo Business Credit, Inc., before me,

\_\_\_\_\_  
Notary Public

EXHIBIT A  
UNITED STATES ISSUED PATENTS

<u>Title</u>	<u>Patent Number</u>	<u>Issue Date</u>
Cosmetic Brush & Bristles	5,195,546	03/23/93
Hollow Brush Bristle with Radiating Spokes	5,701,629	12/30/97
Honeycomb Brush Bristles and Brush Made Therefrom	5,786,087	07/28/98
Honeycomb Bristles with Radiating Spokes and Applicator Brushes Employing Said Bristles	5,933,908	08/10/99
Hollow Filament With Crimp for Use in Spiral Binding	5,968,638	10/19/99
Crimped Thermoplastic Fibers for Reinforcing Concrete	5,985,449	11/16/99
Method for Making Wavy Tapered Brush Bristles	6,079,087	06/27/00
Bristles Employing Particulates and Brushes Including Same	6,174,600	01/16/01
Brush Block	D306,527	03/13/90

FOREIGN ISSUED PATENTS

<u>Title</u>	<u>Country</u>	<u>Patent Number</u>	<u>Issue Date</u>
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EXHIBIT B  
UNITED STATES ISSUED TRADEMARKS, SERVICE MARKS  
AND COLLECTIVE MEMBERSHIP MARKS

REGISTRATIONS

<u>Mark</u>	<u>Registration Number</u>	<u>Registration Date</u>
AbraLon	1,918,007	September 12, 1995
Angle Cut	781,529	December 8, 1964
Bristex	2,132,656	January 27, 1998
Bristrand	440,358	August 24, 1948
Broomstrand	1,381,410	February 4, 1986
Dura-Palm	2,270,707	August 17, 1999
Durastran	611,251	August 30, 1955
Durastran	343,527	August 5, 1988
Estrand	1,581,411	February 4, 1986
Fine Line	1,381,409	February 4, 1986
Hollo	810,583	June 28, 1966
Kilmarn	1,381,412	February 4, 1986
Lon	718,398	July 18, 1961
Lonex	770,962	June 9, 1964
Nyle	790,533	June 8, 1965
Nylex	654,594	November 19, 1957
Nylex	654,596	November 19, 1957
Pex	982,391	April 23, 1974
Plyer	346,687	October 14, 1988
Plyer	1,167,359	September 1, 1981
Polybass	343,526	August 5, 1988
Polybass	936,884	July 4, 1972
Polycorn	343,525	August 5, 1988
Polycorn	1,471,401	January 5, 1988
Polymet-O	1,159,209	June 30, 1981
Polypalm	343,574	August 5, 1988
Polypalm	808,263	May 17, 1966
Polystar-O	143,588	January 21, 1966
Polystar-O	2,201,306	November 3, 1998
Powerlite	807,708	May 3, 1966
Proex	807,709	May 3, 1966
Prope	1,361,877	September 24, 1985
Propylite	838,148	November 7, 1967
Prosava	703,717	September 6, 1960
Prostran	114,278	May 29, 1959
Prostran	765,284	February 25, 1964
Quill	1,477,691	February 23, 1988
RIPL Prostran	133,817	December 13, 1963
RIPL Prostran	2,805,504	January 13, 2004
Silvershield	1,589,942	April 3, 1990
Spiralbind	792,763	July 20, 1965
Tampyl	658,173	February 11, 1958
Tri-Color	1,415,879	November 4, 1986
Tripro	2,754,180	August 19, 2003
Ultra-Fil	2,428,661	February 13, 2001
Wave		

Wave	000722256	September 14, 1999
Wytex	916,957	July 27, 1971
Wytex	348,096	November 18, 1988

APPLICATIONS

PATENT APPLICATIONS

<u>Patent Application Title</u>	<u>Application Number</u>	<u>Filing Date</u>	<u>Country</u>
Process for Ring-Dyeing Filaments	10/015,915	10/26/01	US
Thermoplastic Sheet Abrasives and Methods of Making the Same	10/765,365	01/27/04	US
Thermoplastic Abrasive Elements and Methods of Making the Same		04/14/04	US

COLLECTIVE MEMBERSHIP MARKS

UNREGISTERED MARKS

TRADEMARK LICENSES

<u>Name of Agreement</u>	<u>Subject/Description</u>	<u>Parties</u>	<u>Date</u>
Agreement Between AgION Technologies, LLC And Specialty Filaments, Inc.	License to use "AgION"	AgION & SFI	March 7, 2002
License Agreement	Cross-license to "WAVE" & "THE WAVE"	Sherwin-Williams Co. & SFI	August 24, 2000

COPYRIGHT LICENSES

<u>Name of Agreement</u>	<u>Subject/Description</u>	<u>Parties</u>	<u>Date</u>
Software License Agreement	Computer Software	The Whiting Co. & System Software Associates, Inc.	June, 1993

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