

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	SECURITY INTEREST

CONVEYING PARTY DATA

Name	Formerly	Execution Date	Entity Type
Prince Mineral Company, Inc.		09/02/2004	CORPORATION: DELAWARE

RECEIVING PARTY DATA

Name:	Patriot Capital Funding, Inc., as Agent
Street Address:	61 Wilton Road
Internal Address:	2nd floor
City:	Westport
State/Country:	CONNECTICUT
Postal Code:	06880
Entity Type:	CORPORATION: DELAWARE

PROPERTY NUMBERS Total: 4

Property Type	Number	Word Mark
Registration Number:	1902265	PRINCE
Registration Number:	2279313	BRICKOX
Registration Number:	2334660	CHROMOX
Registration Number:	2310942	MAGNAFLOAT

CORRESPONDENCE DATA

Fax Number: (312)863-7812
Correspondence will be sent via US Mail when the fax attempt is unsuccessful.
 Phone: 312-863-7190
 Email: nathaniel.panek@goldbergekohn.com
 Correspondent Name: Nathaniel Panek
 Address Line 1: 55 East Monroe Street
 Address Line 2: Suite 3700
 Address Line 4: Chicago, ILLINOIS 60603

ATTORNEY DOCKET NUMBER:	5654.001
NAME OF SUBMITTER:	Nathaniel Panek

TRADEMARK

OP \$115.00 1902265

Total Attachments: 21

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THIS AGREEMENT AND THE PRIORITY OF THE SECURITY INTERESTS CREATED HEREBY ARE SUBJECT TO THE TERMS AND CONDITIONS OF THAT CERTAIN SUBORDINATION AGREEMENT DATED AS OF SEPTEMBER 2, 2004 AMONG PATRIOT CAPITAL FUNDING, INC., A DELAWARE CORPORATION, AS AGENT FOR CERTAIN PERSONS AND BANK OF AMERICA, N.A.

INTELLECTUAL PROPERTY SECURITY AGREEMENT

THIS INTELLECTUAL PROPERTY SECURITY AGREEMENT (this "Agreement") is made and entered into as of September 2, 2004 by and between PRINCE MINERAL COMPANY, INC., a Delaware corporation, with a mailing address at 1 Prince Plaza, 229 Radio Road, Quincy, Illinois 62309 (the "Grantor") and PATRIOT CAPITAL FUNDING, INC., a Delaware corporation, with a mailing address at 61 Wilton Road, 2nd Floor, Westport, Connecticut 06880 ("Agent"), in its capacity as agent for the Purchasers identified in the Senior Secured Note Purchase Agreement (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "Senior Purchase Agreement") among the Grantor, Agent and the Purchasers party thereto dated of even date herewith, and in its capacity as agent for the Purchasers identified in the Subordinated Secured Note Purchase Agreement (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "Subordinated Purchase Agreement," and together with the Senior Purchase Agreement, the "Purchase Agreements") among the Grantor, Agent and the Purchasers party thereto dated of even date herewith. The Purchasers under the Senior Purchase Agreement and the Purchasers under the Subordinated Purchase Agreement are collectively referred to herein as the "Purchasers."

RECITALS

A. Pursuant to the Senior Purchase Agreement, the Grantor has issued to the Purchasers thereunder Senior Secured Notes dated as of even date herewith in the principal amount of \$3,600,000 (as the same may be amended, restated, substituted, supplemented or otherwise modified from time to time, the "Senior Notes"). The purchase and sale of the Senior Notes is governed by the Senior Purchase Agreement. Capitalized terms used herein without definition shall be defined in the manner set forth in the Senior Purchase Agreement.

B. Pursuant to the Subordinated Purchase Agreement, the Grantor has issued to the Purchasers thereunder Subordinated Secured Notes dated as of even date herewith in the principal amount of \$4,900,000 (as the same may be amended, restated, substituted, supplemented or otherwise modified from time to time, the "Subordinated Notes," and collectively with the "Senior Notes," the "Notes"). The purchase and sale of the Subordinated Notes is governed by the Subordinated Purchase Agreement.

C. In order to induce the Purchasers to purchase the Notes in accordance with the Purchase Agreements, and in consideration therefor, the Grantor has agreed to grant

to the Agent, for the benefit of the Purchasers, a perfected lien on and security interest in all of the Grantor's trademarks, copyrights, patents, whether now or hereafter existing, owned or acquired, all pursuant to the terms of this Agreement in order to secure, for the benefit of the Purchasers, (i) the due and punctual payment of (A) the principal and interest (including, without limitation, interest accruing during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding regardless of whether allowed or allowable in such proceeding) on the Notes, when and as due, whether at maturity, by acceleration, upon one or more dates set for prepayment or otherwise, and (B) all other monetary obligations of the Grantor under the Notes, Purchase Agreements or this Agreement, including, but not limited to, fees, costs, expenses and indemnities, whether primary, secondary, direct, contingent, fixed or otherwise (including, without limitation monetary obligations incurred during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding regardless of whether allowed or allowable in such proceeding), and (ii) the due and punctual performance of the Purchase Agreements, covenants, agreements, obligations and liabilities of the Grantor under or pursuant to the Purchase Agreements, the Notes, this Agreement or the other Security Documents (as defined in each Purchase Agreement) (collectively, the "Secured Obligations").

D. It is a condition precedent to the purchase and acceptance of the Notes by the Purchasers that the Grantor executes and delivers this Agreement.

NOW, THEREFORE, for and in consideration of the covenants and provisions set forth herein, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Grantor agrees as follows:

Section 1. **Grant of Security Interest in the Collateral; Obligations Secured.**

(a) The Grantor hereby:

(1) conveys, assigns, pledges and grants to the Agent, for the benefit of the Purchasers under the Senior Purchase Agreement, a continuing security interest in, and acknowledges and agrees that the Agent, for the benefit of the Purchasers under the Senior Purchase Agreement, has and shall continue to have a continuing security interest in, any and all right, title and interest of the Grantor, whether now existing or hereafter acquired or arising, in and to the following, as security for the Secured Obligations arising under or with respect to the Senior Purchase Agreement and the Senior Notes:

i. **Patents.** Patents, whether now owned or hereafter acquired, or in which Grantor now has or hereafter acquires any rights (the term "Patent" means and includes (A) all letters patent of the United States of America or any other country or any political subdivision thereof, now existing or hereafter acquired, all registrations and recordings thereof, and all applications for letters patent of the United States of America or any other country or any political subdivision thereof, now existing or hereafter acquired, including without limitation registrations, recordings and applications therefor in the United States Patent and Trademark Office

or any other country or any political subdivision thereof and (B) all reissues, continuations, continuations-in-part or extensions thereof), including without limitation each Patent listed on Schedule A-1 hereto, and all of the inventions now or hereafter described and claimed in the Grantor's Patents;

ii. **Patent Licenses.** Patent Licenses, whether now owned or hereafter acquired, or in which the Grantor now has or hereafter acquires any rights (the term "Patent Licenses" means and includes any written agreement granting to any person any right to exploit, use or practice any invention on which a Patent is owned by another person), including without limitation each Patent License listed on Schedule A-2 hereto, and all royalties and other sums due or to become due under or in respect of the Grantor's Patent Licenses, together with the right to sue for and collect all such royalties and other sums;

iii. **Trademarks.** Trademarks, whether now owned or hereafter acquired, or in which the Grantor now has or hereafter acquires any rights (the term "Trademarks" means and includes (A) all trademarks, trade names, trade styles, service marks and logos, all prints and labels on which said trademarks, trade names, trade styles, service marks and logos have appeared or appear and all designs and general intangibles of like nature, now existing or hereafter adopted or acquired, all registrations and recordings thereof, and all applications in connection therewith, including without limitation registrations, recordings and applications in the United States Patent and Trademark Office or in any similar office or agency of the United States of America, any state thereof or any other country or any political subdivision thereof and (B) all renewals thereof), including without limitation each Trademark application and registration listed on Schedule B-1 hereto, and all of the goodwill of the business connected with the use of, and symbolized by, each Trademark;

iv. **Trademark Licenses.** Trademark Licenses, whether now owned or hereafter acquired, or in which the Grantor now has or hereafter acquires any rights (the term "Trademark Licenses" means and includes any written agreement granting to any person any right to use or exploit any Trademark or Trademark registration of another person), including without limitation the agreements described in Schedule B-2 hereto, and all of the goodwill of the business connected with the use of, and symbolized by, each Trademark licensed and all royalties and other sums due or to become due under or in respect of the Grantor's Trademark Licenses, together with the right to sue for and collect all such royalties and other sums;

v. **Copyrights.** Copyrights and Copyright registrations, whether now owned or hereafter acquired, or in which the Grantor now has or hereafter acquires any rights (the term "Copyrights" means and includes (A) all original works of authorship fixed in any tangible medium of expression, now existing or hereafter adopted or acquired, all registrations and recordings thereof, and all applications in connection therewith, including without limitation registrations,

recordings and applications in the United States Copyright Office or in any similar office or agency of the United States of America, any state thereof or any other country or any political subdivision thereof and (B) all renewals thereof), including without limitation each Copyright registration listed on Schedule C-1 hereto;

vi. **Copyright Licenses.** Copyright Licenses, whether now owned or hereafter acquired, or in which the Grantor now has or hereafter acquires any rights (the term "Copyright Licenses" means and includes any written agreement granting to any person any right to use or exploit any Copyright or Copyright registration of another person), including without limitation the agreements described in Schedule C-2 hereto, and all royalties and other sums due or to become due under or in respect of the Grantor's Copyright Licenses, together with the right to sue for and collect all such royalties and other sums; and

vii. **Proceeds and Products.** All proceeds and products of the foregoing and all insurance of the foregoing and proceeds thereof, whether now existing or hereafter arising, including without limitation (A) any claim of the Grantor against third parties for damages by reason of past, present or future infringement of any Patent or any Patent licensed under any Patent License, (B) any claims by the Grantor against third parties for damages by reason of past, present or future infringement or dilution of any Trademark or of any Trademark licensed under any Trademark License, or for injury to the goodwill of the business connected with the use of, or symbolized by, any Trademark or of any Trademark licensed under any Trademark License, (C) any claim of the Grantor against third parties for damages by reason of past, present or future infringement of any Copyright or any Copyright licensed under any Copyright License, and (D) any claim of the Grantor against third parties for damages by reason of past, present or future infringement of any Copyright or any Copyright licensed under any Copyright License, and (E) any claim by the Grantor against third parties for damages by reason of past, present or future misappropriation or wrongful use or disclosure of any trade secret or other property or right described above or of any such trade secret or other property or right licensed under any license or agreement described above, and together with the right to sue for and collect the damages described in the immediately preceding clauses (A), (B), (C) and (D);

all of the foregoing being herein sometimes referred to as the "Collateral";

(2) conveys, assigns, pledges and grants to the Agent, for the benefit of the Purchasers under the Subordinated Purchase Agreement a continuing security interest in, and acknowledges and agrees that the Agent, for the benefit of the Purchasers under the Subordinated Purchase Agreement, has and shall continue to have a continuing security interest in, any and all right, title and interest of the Grantor, whether now existing or hereafter acquired or arising in and to the Collateral, as security for the Secured Obligations arising under or with respect to the Subordinated Purchase Agreement and the Subordinated Notes;

(3) provided, however, the Collateral described above shall not include any interest of the Grantor in any contract, license, permit or similar general intangible if the granting of a security interest therein is prohibited by the terms of the written agreement creating or evidencing such contract, license, permit or similar intangible, provided, further, that, notwithstanding anything set forth in the proviso set forth above to the contrary, to the extent not prohibited by law, the Agent, for the benefit of the Purchasers, shall at all times have a security interest in all rights of the Grantor to payments of money due or to become due under any such contract, license, permit or similar general intangible, and all proceeds thereof, and, if and when the prohibition which prevents the granting of a security interest in any such property is removed, terminated or otherwise becomes unenforceable as a matter of law, the Agent will be deemed to have, and at all times to have had, a security interest in such property and the Collateral will be deemed to include, and at all times to have included, such property; and

(4) in furtherance of granting such security interests, grants, bargains, transfers, conveys and assigns as security to the Agent, for the benefit of the Purchasers, the Patents, the Patent Licenses, the Copyrights and the Copyright Licenses. Notwithstanding anything herein to the contrary, this Agreement shall not operate as a sale, transfer, conveyance or other assignment to Agent of any applications by the Grantor for a Trademark based on an intent to use the same if and so long as such application is pending and not matured into a registered Trademark (such pending applications which are based on intent to use being hereinafter referred to collectively as "Intent-To-Use Applications"), but rather, if and so long as the Grantor Intent-To-Use Application is pending this Agreement shall operate only to create a security interest for collateral purposes in favor of Agent, for the benefit of the Purchasers, on such Intent-To-Use Application as collateral security for the Secured Obligations.

(b) This Agreement, including the security interest granted hereunder, is made and given to secure, and shall secure, the prompt payment or performance in full when due, whether by lapse of time, acceleration or otherwise, of the Secured Obligations.

(c) The outright conveyances and assignments set forth above (but not the pledges and grants set forth above) and the license granted to the Grantor pursuant to the second sentence of Section 4 hereof, shall not be effective or operative until the payment in full of the Senior Financing, at which time such conveyances, assignments and license shall automatically become effective and operative without the taking of any further action.

Section 2. **Continuing Agreement; Termination and Release.** This Agreement is made for collateral purposes only. This Agreement shall be a continuing agreement in every respect and shall remain in full force and effect until all of the Secured Obligations shall have been fully paid. Upon such termination of this Agreement, the Agent shall, upon the request and at the expense of the Grantor, forthwith release, assign and transfer, without recourse, and, to the extent applicable, deliver, against receipt and without recourse to the Agent, such of the Collateral as may then be in the possession of the Agent and as shall not have been sold or otherwise applied pursuant to the terms hereof to or on the

order of the Grantor. Said release, assignment, transfer and delivery shall include an instrument in form recordable in the United States Patent and Trademark Office and the United States Copyright Office by which the Agent shall terminate, release and, without representation, recourse or warranty, reassign to the Grantor all rights in each Patent, Patent License, Trademark, Trademark License, Copyright and Copyright License, including each registration thereof and application therefor, conveyed and transferred to the Agent pursuant to this Agreement.

Section 3. **No Release.** Nothing set forth in this Agreement shall relieve the Grantor from the performance of any term, covenant, condition or agreement on the Grantor's part to be performed or observed under or in respect of any of the Collateral or from any liability to any party under or in respect of any of the Collateral or impose any obligation on the Agent to perform or observe any such term, covenant, condition or agreement on the Grantor's parts to be so performed or observed or impose any liability on the Agent for any act or omission on the part of the Grantor relative thereto or for any breach of any representation or warranty on the part of the Grantor contained in this Agreement or under or in respect of the Collateral or made in connection herewith or therewith.

Section 4. **Use of Collateral.** Notwithstanding anything to the contrary contained herein, but subject to the terms of the Subordination Agreement, until an "Event of Default" (as defined in either Purchase Agreement) has occurred and is continuing and until otherwise notified by the Agent, the Grantor may continue to exploit, license, use, enjoy and protect the Collateral throughout the world and the Agent shall from time to time execute and deliver, upon written request of the Grantor, any and all instruments, certificates or other documents, in the form so requested, necessary or appropriate in the reasonable judgment of the Grantor to enable the Grantor to continue to exploit, license, use, enjoy and protect the Collateral throughout the world. In furtherance of the foregoing but subject to Sections 9 and 10 hereof, the Agent grants to the Grantor an exclusive, perpetual, world-wide, royalty-free right and license, with the right to exploit, license, use, enjoy and protect the Patents, the Patent Licenses, the Copyrights and the Copyright Licenses for any and all purposes.

Section 5. **Representations and Warranties of the Grantor.** The Grantor hereby represents and warrants to the Agent as follows:

(a) The Grantor is, and, as to the Collateral acquired by it from time to time after the date hereof, the Grantor will be, the owner or, as applicable, licensee of all the Collateral. Subject to the liens in favor of the Senior Lender, the Grantor's rights in the Collateral are and shall remain free and clear of any lien, pledge, security interest, encumbrance, assignment, collateral assignment or charge of any kind, including without limitation any filing of, or agreement to file, a financing statement as Grantor under the Uniform Commercial Code or any similar statute, except for the lien and security interest created by this Agreement and Permitted Liens. The Grantor has made no previous assignment, conveyance, transfer or agreement in conflict with the liens granted hereby except those in favor of the Senior Lender. The Grantor further represents and warrants to the Agent that Schedules A-1, A-2, B-1, B-2, C-1 and C-2 hereto, respectively, are true and

correct lists of all Patents, Patent Licenses, Trademarks, Trademark Licenses, Copyrights and Copyright Licenses owned or used by the Grantor as of the date hereof and that Schedules A-1, A 2, B-1, B-2, C-1 and C-2 are true and correct with respect to the matters set forth therein as of the date hereof.

(b) The Grantor has made all necessary filings and recordations to protect its interests in the Collateral in each case to the extent a failure to do so could reasonably be expected to have a Material Adverse Effect.

(c) The Grantor owns directly or has rights to use all the Collateral and all rights with respect to any of the foregoing used in or necessary for the business of the Grantor in the ordinary course as presently conducted, except where the failure to own or have such rights would not have a Material Adverse Effect. The use of the Collateral and all rights with respect to the foregoing by the Grantor does not, to the actual knowledge of the Grantor, infringe, in any material respect, on the rights of any party, nor has any claim of such infringement been made.

(d) Upon the filing of financing statements including the Collateral in the appropriate offices under the Uniform Commercial Code, and the filing of this Agreement in the United States Patent and Trademark Office and the United States Copyright Office, as applicable, this Agreement will create a valid and duly perfected lien on and security interest in the Collateral which is registered in and with the United States of America effective against purchasers from and creditors of the Grantor, subject to no prior liens or encumbrances other than Permitted Liens.

Section 6. **Covenants and Agreements of the Grantor.** The Grantor hereby covenants and agrees with the Agent as follows:

(a) On a continuing basis, the Grantor will, at the expense of the Grantor, subject to any prior licenses, encumbrances and restrictions and prospective licenses, encumbrances and restrictions permitted hereunder, make, execute, acknowledge and deliver, and file and record in the proper filing and recording places within the United States of America, all such instruments, including without limitation appropriate financing and continuation statements and collateral agreements, and take all such action as may reasonably be deemed necessary or advisable by the Agent (i) to carry out the intent and purposes of this Agreement, (ii) to assure and confirm to the Agent the grant or perfection of the security interest in the Collateral intended to be created hereby, subject to no prior Liens or encumbrances other than Permitted Liens, for the benefit of the Agent or (iii) to enable the Agent to exercise and enforce its rights and remedies hereunder with respect to the Collateral.

(b) Without limiting the generality of the foregoing paragraph (a) of this Section 6, the Grantor (i) will not enter into any agreement that would materially impair or conflict with the Grantor's obligations hereunder (exclusive of those pertaining to the Senior Financing); (ii) will, promptly following its becoming aware thereof, notify the Agent of (x) any final adverse determination in any proceeding in the United States Patent and Trademark

Office or the United States Copyright Office or (y) the institution of any proceeding or any adverse determination in any federal, state, local or foreign court or administrative body regarding the Grantor's claims of ownership in or right to use any of the Collateral, its right to register any such Collateral or its right to keep and maintain such registration; (iii) will preserve and maintain all rights in the Collateral, unless no longer used in the ordinary course of the Grantor's business or no longer deemed necessary to the Grantor's business; (iv) will not grant or permit to exist any lien or encumbrance upon or with respect to the Collateral or any portion thereof except Permitted Liens and will not execute any security agreement or financing statement covering any of the Collateral except in favor of the Agent or Senior Lender; (v) will not permit to lapse or become abandoned (unless no longer used in the ordinary course of the Grantor's business or no longer deemed necessary to the Grantor's business), or settle or compromise any pending or future material litigation or material administrative proceeding with respect to any Collateral that could reasonably be expected to have a Material Adverse Effect without the prior written consent of the Agent, or, except for licenses of Collateral in the ordinary course of business, contract for sale or otherwise sell, convey, assign or dispose of, or grant any option with respect to, the Collateral or any portion thereof; (vi) upon the Grantor obtaining knowledge thereof, will promptly notify the Agent in writing of any event that could reasonably be expected to have a Material Adverse Effect on the value of any of the Collateral, the ability of the Grantor or the Agent to dispose of any such Collateral or the rights and remedies of the Agent in relation thereto, including without limitation a levy or threat of levy or any legal process against any such Collateral that could reasonably be expected to have a Material Adverse Effect; (vii) will diligently keep reasonable records respecting the Collateral; (viii) hereby authorizes the Agent, in its sole discretion, to file one or more financing or continuation statements relative to all or any part of the Collateral without the signature of the Grantor where permitted by law; (ix) will furnish to the Agent from time to time statements and schedules further identifying and describing the Collateral and such other materials evidencing or reports pertaining to the Collateral as the Agent may reasonably request, all in reasonable detail; (x) will pay when due any and all taxes, levies, maintenance fees, charges, assessments, licenses fees and similar taxes or impositions payable in respect of the Collateral except to the extent being contested in good faith by appropriate proceedings which prevent the enforcement of the matter being contested (and for which the Grantor has established adequate reserves) and do not interfere with the business of the Grantor in the ordinary course or unless no longer necessary to the Grantor's business; and (xi) comply in all material respects with all laws, rules and regulations applicable to the Collateral.

(c) If, before the Secured Obligations shall have been indefeasibly paid in full in cash, the Grantor shall obtain any rights to or become entitled to the benefit of any new Patent, patent application, service mark, trade name, Trademark, trademark application, trademark registration, Copyright, copyright application, copyright registration, license renewal or extension, or patent for any reissue, division, continuation, renewal, extension, or continuation-in-part of any Patent or any improvement on any Patent, the provisions of this Agreement shall automatically apply thereto and the same shall automatically constitute Collateral and be and become subject to the assignment, lien and security interest created hereby, as the case may be, without further action by any party, all to the same extent and

with the same force and effect as if the same had originally been Collateral hereunder. If the Grantor so obtains or becomes entitled to any of the rights described above, the Grantor shall promptly give written notice thereof to the Agent. The Grantor agrees to confirm the attachment of the lien and security interest created hereby to any such rights described above by execution of instruments, including, but not limited to, instruments for recordation with the United States Patent and Trademark Office and the United States Copyright Office, in form and substance acceptable to the Agent.

(d) The Grantor shall promptly notify the Agent of any future Collateral and, upon receipt of such notice by the Agent, Schedules A-1, A-2, B-1, B-2, C-1 and C-2 hereto shall be deemed amended to include reference to any such future Collateral.

(e) The Grantor shall prosecute diligently applications for the Patents, Trademarks and Copyrights now or hereafter pending and make application on unpatented but patentable inventions and registrable but unregistered Trademarks and Copyrights, that, in each case, in the Grantor's reasonable judgment would be materially beneficial to the business of the Grantor in the ordinary course as presently, and as now contemplated will be, conducted, file and prosecute opposition and cancellation proceedings and perform all acts necessary to preserve and maintain all rights in the Collateral, unless as to any Patent, Trademark or Copyright, in the reasonable judgment of the Grantor, such Patent, Trademark or Copyright has become immaterial or obsolete to such business of the Grantor. Any expenses incurred in connection with such actions shall be borne by the Grantor.

(f) The Grantor shall not abandon any right to file any material patent application, trademark application, service mark application, copyright application, Patent, Trademark or Copyright without the prior written consent of the Agent, which consent shall not be unreasonably withheld.

Section 7. **Supplements; Further Assurances.** The Grantor (i) agrees it will join with the Agent in executing and, at its own expense, file and refile, or permit the Agent to file and refile, such financing statements, continuation statements and other instruments and documents (including without limitation this Agreement) in such offices (including without limitation the United States Patent and Trademark Office and the United States Copyright Office) as the Agent may reasonably deem necessary or appropriate in order to perfect and preserve the rights and interests granted to the Agent hereunder and (ii) hereby authorizes the Agent to file and refile such instruments and documents and any other instruments or documents related thereto without the signature of the Grantor where permitted by law and (iii) agrees to do such further acts and things, and to execute and deliver to the Agent such additional instruments and documents, as the Agent may reasonably require to carry into effect the purposes of this Agreement or to better assure and confirm unto the Agent its rights, powers and remedies hereunder. All of the foregoing are to be at the sole cost of the Grantor. Any reasonable costs of the foregoing incurred by the Agent shall be payable by the Grantor upon demand, together with interest thereon from the date of incurrence until so paid, and shall constitute additional Secured Obligations.

Section 8. **The Agent May Perform.** If the Grantor fails to perform any agreement contained herein after receipt of a written request to do so from the Agent, the Agent may itself (upon ten (10) days' prior written notice to the Grantor unless the Agent in good faith determines that immediate payment or performance is reasonably necessary to protect or preserve the Collateral), but shall not be obligated to, perform, or cause performance of, such agreement, and the reasonable expenses of the Agent, including the reasonable fees and expenses of its counsel, so incurred in connection therewith shall be payable by the Grantor.

Section 9. **Remedies.** Upon the occurrence and during the continuation of any Event of Default and subject to the terms of the Subordination Agreement, the Agent shall have, in addition to all other rights provided herein, in the Security Documents (as defined in each Purchase Agreement), in the Purchase Agreements or by law, the rights and remedies of a secured party under the Uniform Commercial Code, and further the Agent may, without demand and without advertisement, notice (except as required by law), hearing or process of law, all of which the Grantor hereby waives, at any time or times, sell and deliver any or all of the Collateral at public or private sale, for cash, upon credit or otherwise, at such prices and upon such terms as the Agent deems advisable, in its sole discretion. At any public sale, or, to the extent permitted by applicable law, at any private sale, made pursuant to this Section 9, the Agent may bid for or purchase, free from any right of redemption, stay or appraisal and all rights of marshalling, the Collateral and any other security for the Secured Obligations or otherwise on the part of the Grantor (all said rights being also hereby waived and released by the Grantor to the fullest extent permitted by law), and may make payment on account thereof by using any claim then due and payable to the Agent from the Grantor as a credit against the purchase price, and the Agent may, upon compliance with the terms of sale, hold, retain and dispose of such property without further accountability to the Grantor therefor. In addition to all other sums due the Agent hereunder, the Grantor shall pay the Agent all reasonable costs and expenses incurred by the Agent, including reasonable attorneys' fees and court costs, in obtaining, liquidating or enforcing payment of the Collateral or the Secured Obligations or in the prosecution or defense of any action or proceeding by or against the Agent or the Grantor concerning any matter arising out of or connected with this Agreement or the Collateral or the Secured Obligations.

Without in any way limiting the foregoing, upon the occurrence and during the continuation of any Event of Default and subject to the terms of the Subordination Agreement, the Agent may to the full extent permitted by applicable law, with ten (10) days' prior notice to the Grantor, and without advertisement, notice, hearing or process of law of any kind, all of which the Grantor hereby waives, (i) exercise any and all rights as beneficial and legal owner of the Collateral, including without limitation any and all consensual rights and powers with respect to the Collateral and (ii) sell or assign or grant a license to use, or cause to be sold or assigned or a license granted to use, any or all of the Collateral or any part hereof, in each case free of all rights and claims of the Grantor therein and thereto, but subject to any existing licenses in the Collateral permitted under the terms of this Agreement. In that connection, the Agent shall have the right to cause any or all of the Collateral to be transferred of record into the name of the Agent or its nominee as well as the right to impose

(i) such limitations and restrictions on the sale or assignment of the Collateral as the Agent may deem to be necessary or appropriate to comply with any law, rule or regulation, whether federal, state or local, having applicability to the sale or assignment and (ii) requirements for any necessary governmental approvals.

Failure by the Agent to exercise any right, remedy or option under this Agreement or any other agreement between the Grantor and the Agent or provided by law, or delay by the Agent in exercising the same, shall not operate as a waiver; no waiver shall be effective unless it is in writing, signed by the party against whom such waiver is sought to be enforced and then only to the extent specifically stated. Neither the Agent nor any party acting as attorney for the Agent shall be liable hereunder for any acts or omissions or for any error of judgment or mistake of fact or law other than their gross negligence or willful misconduct. The rights and remedies of the Agent under this Agreement shall be cumulative and not exclusive of any other right or remedy which the Agent may have.

The Agent shall have and be entitled to exercise all rights, remedies and powers hereunder, together with such powers as are reasonably incidental thereto, on behalf of the Purchasers under the Senior Note Purchase Agreement, the Purchasers under the Subordinated Purchase Agreement, or both, as the Agent may elect from time to time.

Section 10. **Power of Attorney.** The Grantor hereby irrevocably appoints the Agent, its nominee, or any other person whom the Agent may designate as the Grantor's attorney-in-fact, with full authority in the place and stead of the Grantor and in the name of the Grantor, the Agent or otherwise, upon the occurrence and during the continuation of any Event of Default and subject to the terms of the Subordination Agreement, or if the Grantor fails to perform any agreement contained herein within ten (10) days after the Agent's written request, then to the extent necessary to enable the Agent to perform such agreement itself, from time to time in the Agent's discretion, to take any action and to execute any instrument which the Agent may reasonably deem necessary or advisable to accomplish the purposes of this Agreement, including without limitation to record an assignment of the Trademarks and Trademark Licenses, if any, to the Agent with the United States Patent and Trademark Office, to prosecute diligently any Patent, Trademark or Copyright or any application for Patents, Trademarks or Copyrights pending as of the date of this Agreement or thereafter until the Secured Obligations shall have been paid in full, to make application on unpatented but patentable inventions and registrable but unregistered Trademarks or Copyrights, to file and prosecute opposition and cancellation proceedings, to do all other acts necessary or desirable to preserve all rights in Collateral and otherwise to file any claims or take any action or institute any proceedings which the Agent may reasonably deem necessary or desirable to accomplish the purpose of this Agreement. The Grantor hereby ratifies and approves all acts of any such attorney and agree that neither the Agent nor any such attorneys will be liable for any acts or omissions nor for any error of judgment or mistake of fact or law other than their gross negligence or willful misconduct. The foregoing power of attorney, being coupled with an interest, is irrevocable until the Secured Obligations have been fully paid and satisfied.

Section 11. **Application of Proceeds.** Unless the Agent otherwise directs, the proceeds of any sale of Collateral pursuant to this Agreement or otherwise, and any Collateral consisting of cash, shall be applied after receipt by the Agent as follows, subject to any rights of Senior Lender:

First, to the payment of all reasonable costs, fees and expenses of the Agent and its agents, representatives and attorneys incurred in connection with such sale or with the retaking, holding, handling, preparing for sale (or other disposition) of the Collateral or otherwise in connection with any Notes, this Agreement or any of the Secured Obligations arising under either of the Purchase Agreements, including, but not limited to, the reasonable fees and expenses of the Agent's agents and attorneys' and court costs (whether at trial, appellate or administrative levels), if any, incurred by the Agent in so doing;

Second, to the payment of the outstanding principal balance, accrued interest, any redemption payments and fees on the Secured Obligations arising under either of the Purchase Agreements in such order as the Agent may determine (but subject to any intercreditor agreements); and

Third, to the Grantor or to such other Person as a court may direct.

Section 12. **Miscellaneous.**

(a) The Grantor hereby indemnifies the Agent for any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, reasonable costs, reasonable expenses or disbursements (including reasonable attorneys' fees) of any kind and nature whatsoever which may be imposed on, incurred by or asserted against the Agent, in any way relating to or arising out of, directly or indirectly, (i) the manufacture, use or sale or other disposition of products or processes utilizing or embodying any Collateral or (ii) any transactions contemplated hereby or any enforcement of the terms hereof, including, but not limited to, any action of, or failure to act by, the Agent in connection with this Agreement; provided, however, that the Grantor shall not be liable for any of the foregoing to the extent they arise from the gross negligence or willful misconduct of the Agent.

(b) All communications hereunder shall be in writing and shall be given to the relevant party, and shall be deemed to have been made when given to the relevant party, in accordance with the Purchase Agreements.

(c) In the event that any provision hereof shall be deemed to be invalid by reason of the operation of any law or by reason of the interpretation placed thereon by any court, this Agreement shall be construed as not containing such provision, but only as to such jurisdictions where such law or interpretation is operative, and the invalidity of such provision shall not affect the validity of any remaining provisions hereof, and any and all other provisions hereof which are otherwise lawful and valid shall remain in full force and effect.

(d) This Agreement shall be deemed to have been made in this State of New York and shall be governed by and construed in accordance with the laws of the State of New York, except as required by mandatory provisions of law and except to the extent that the validity or perfection of the security interest hereunder, or remedies hereunder, in respect of any particular Collateral are governed by the laws of a jurisdiction other than the State of New York. The headings in this instrument are for convenience of reference only and shall not limit or otherwise affect the meaning of any provision hereof.

(e) This Agreement may be executed in any number of counterparts (including by facsimile) and by different parties hereto on separate counterpart signature pages, each constituting an original, but all together one and the same instrument.

(f) EACH OF THE PARTIES HERETO HEREBY, TO THE FULLEST EXTENT PERMITTED BY LAW, WAIVES TRIAL BY JURY IN ANY ACTION BROUGHT UNDER OR IN CONNECTION WITH THIS AGREEMENT, THE PURCHASE AGREEMENTS OR ANY OF THE OTHER SECURITY DOCUMENTS (AS DEFINED IN EACH PURCHASE AGREEMENT).

(g) Whenever in this Agreement any of the parties hereto is referred to, such reference shall be deemed to include the successors and assigns of such party, and all covenants, promises and agreements by or on behalf of the Agent that are contained in this Agreement shall bind and inure to the benefit of its respective successors and assigns. The Grantor may not assign or transfer any of its rights or obligations hereunder without the prior written consent of the Agent.


(h) The security interest granted to Agent herein and the rights and remedies of Agent and the obligations of Grantor with respect thereto are subject to the terms of the Subordination Agreement. In the event of any conflict between the terms of this Agreement and the Subordination Agreement, the terms of the Subordination Agreement shall prevail. Notwithstanding the foregoing, Grantor shall not be a beneficiary of any provision of the Subordination Agreement and as a result thereof, each provision of the Subordination Agreement is subject to amendment and modification by Senior Lender and Agent.

[signatures on following pages]

IN WITNESS WHEREOF, the Grantor has caused this Agreement to be duly executed as of the date first above written.

GRANTOR:

PRINCE MINERAL COMPANY, INC., a Delaware corporation

By: 
Name: DARRYL E. MAYTON
Title: GENERAL MANAGER

Accepted and agreed to by the Agent as of the date first above written.

AGENT:

PATRIOT CAPITAL FUNDING, INC., a Delaware corporation, as Agent

By Timothy W. Hassler
Name Timothy W. Hassler
Its Managing Director

SCHEDULE A-1
TO INTELLECTUAL PROPERTY SECURITY AGREEMENT

Patent Numbers
And Pending Patent Application Numbers

None.

SCHEDULE A-2
TO INTELLECTUAL PROPERTY SECURITY AGREEMENT

Patent Licenses

None.

SCHEDULE B-1

TO INTELLECTUAL PROPERTY SECURITY AGREEMENT

**Registered Trademarks
And Trademark Applications**

<u>Registered Trademarks</u>	<u>Registration Reg. No.</u>	<u>Date Granted</u>
Prince and Crown Design	1,902,265	Registered July 4, 1995, assignment to Borrower recorded December 31, 2003.
BRICKOX	2,279,313	Registered September 21, 1999, assignment to Borrower recorded December 31, 2003.
CHROMOX	2,334,660	Registered March 28, 2000, assignment to Borrower recorded December 31, 2003.
MAGNAFLOAT	2,310,942	Registered January 25, 2000, assignment to Borrower recorded December 31, 2003.

Pending Trademark Applications

Application Serial No.

Filing Date

None.

SCHEDULE B-2
TO INTELLECTUAL PROPERTY SECURITY AGREEMENT

Trademark Licenses

None.

SCHEDULE C-1
TO INTELLECTUAL PROPERTY SECURITY AGREEMENT

Registered Copyrights and Copyright Applications

None.

SCHEDULE C-2
TO INTELLECTUAL PROPERTY SECURITY AGREEMENT

Copyright Licenses

None (with the exception of any off the shelf commercially available software).