

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

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| SUBMISSION TYPE: | NEW ASSIGNMENT | | |
| NATURE OF CONVEYANCE: | SECURITY INTEREST | | |
| CONVEYING PARTY DATA | | | |
| Name | Formerly | Execution Date | Entity Type |
| Silbond Corporation | | 10/29/2010 | CORPORATION: MICHIGAN |
| RECEIVING PARTY DATA | | | |
| Name: | JPMorgan Chase Bank, N.A. | | |
| Street Address: | 28660 Northwestern Highway | | |
| City: | Southfield | | |
| State/Country: | MICHIGAN | | |
| Postal Code: | 48034 | | |
| Entity Type: | National Banking Association: UNITED STATES | | |
| PROPERTY NUMBERS Total: 1 | | | |
| Property Type | Number | Word Mark | |
| Registration Number: | 1211155 | SILBOND | |
| CORRESPONDENCE DATA | | | |
| Fax Number: | (734)623-1625 | | |
| | <i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i> | | |
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| ATTORNEY DOCKET NUMBER: | 7-4379 | | |
| NAME OF SUBMITTER: | Nora Hudge, Paralegal | | |
| Signature: | /Nora Hudge/ | | |
| Date: | 11/10/2010 | | |

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Total Attachments: 25

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PLEDGE AND SECURITY AGREEMENT

THIS PLEDGE AND SECURITY AGREEMENT is entered into as of October 29, 2010 by and between Silbond Acquisition Corporation, a Michigan corporation (to be merged with Silbond Corporation, a Michigan corporation, with Silbond Corporation as the surviving entity) (the "Borrower"), and JPMorgan Chase Bank, N.A., a national banking association (the "Lender").

PRELIMINARY STATEMENT

The Borrower and the Lender are entering into a Credit Agreement dated as of the date hereof (as it may be amended or modified from time to time, the "Credit Agreement"). The Borrower is entering into this Pledge and Security Agreement (as it may be amended or modified from time to time, the "Security Agreement") in order to induce the Lender to enter into and extend credit to the Borrower under the Credit Agreement.

ACCORDINGLY, the Borrower and the Lender hereby agree as follows:

ARTICLE I

DEFINITIONS

1.1. Terms Defined in Credit Agreement. All capitalized terms used herein and not otherwise defined shall have the meanings assigned to such terms in the Credit Agreement.

1.2. Terms Defined in Michigan Uniform Commercial Code. Terms defined in the Michigan UCC which are not otherwise defined in this Security Agreement are used herein as defined in the Michigan UCC.

1.3. Definitions of Certain Terms Used Herein. As used in this Security Agreement, in addition to the terms defined in the Preliminary Statement, the following terms shall have the following meanings:

"Accounts" shall have the meaning set forth in Article 9 of the Michigan UCC.

"Article" means a numbered article of this Security Agreement, unless another document is specifically referenced.

"Assigned Contracts" means, collectively, all of the Borrower's rights and remedies under, and all moneys and claims for money due or to become due to the Borrower under the Silbond Acquisition Documents and under the environmental remediation indemnity and other environmental obligations of Akzo Chemicals, Inc. under that certain Asset Purchase Agreement, dated as of March 15, 1994, between Akzo Chemicals, Inc. and Silbond Corporation, and any other documents or agreements executed in connection therewith, including, without limitation, any and all environmental indemnification obligations of the seller thereunder and the guarantee of Akzo America Inc. (now known as AkzoNobel, Inc.), and any other material contracts, and any and all amendments, supplements, extensions, and renewals thereof including all rights and claims of the Borrower now or hereafter existing: (a) under any insurance, indemnities, warranties, and guarantees provided for or arising out of or in connection with any of the foregoing agreements; (b) for any damages arising out of or for breach or default under or in connection with any of the foregoing contracts; (c) to all other amounts from time to time paid or payable under or in connection with any of the foregoing agreements; or (d) to exercise or enforce any and all covenants, remedies, powers and privileges thereunder.

"Chattel Paper" shall have the meaning set forth in Article 9 of the Michigan UCC.

"Collateral" means all Accounts, Chattel Paper, Commercial Tort Claims, Documents, Equipment, Farm Products, Fixtures, General Intangibles, Instruments, Inventory, Investment Property, Pledged Deposits, and Other Collateral, wherever located, in which the Borrower now has or hereafter acquires any right or interest, and the proceeds (including Stock Rights), insurance proceeds and products thereof, together with all books and records, customer lists, credit files, computer files, programs, printouts and other computer materials and records related thereto.

"Collateral Access Agreement" means any landlord waiver or other agreement between the Lender and any third party (including any bailee, consignee, customs broker, or other similar Person) in possession of any Collateral or any landlord of the Borrower for any real property where any Collateral is located, which agreement shall provide access rights, contain a waiver or subordination of all Liens or claims that the landlord, bailee or consignee may assert against the Collateral at that location, and shall otherwise be reasonably satisfactory in form and substance to the Lender, as such landlord waiver or other agreement may be amended, restated, or otherwise modified from time to time.

"Commercial Tort Claims" shall have the meaning set forth in Article 9 of the UCC.

"Control" shall have the meaning set forth in Article 8 or, if applicable, in Section 9-104, 9-105, 9-106 or 9-107 of Article 9 of the Michigan UCC.

"Copyrights" means all of the Borrower's right, title, and interest in and to the following: (a) all copyrights, rights and interests in copyrights, works protectable by copyright, copyright registrations, and copyright applications; (b) all renewals of any of the foregoing; (c) all income, royalties, damages, and payments now or hereafter due and/or payable under any of the foregoing, including, without limitation, damages or payments for past or future infringements for any of the foregoing; (d) the right to sue for past, present, and future infringements of any of the foregoing; and (e) all rights corresponding to any of the foregoing throughout the world.

"Deposit Accounts" shall have the meaning set forth in Article 9 of the Michigan UCC.

"Documents" shall have the meaning set forth in Article 9 of the Michigan UCC.

"Equipment" shall have the meaning set forth in Article 9 of the Michigan UCC.

"Event of Default" means an event described in Section 5.1.

"Exhibit" refers to a specific exhibit to this Security Agreement, unless another document is specifically referenced.

"Farm Products" shall have the meaning set forth in Article 9 of the Michigan UCC.

"Fixtures" shall have the meaning set forth in Article 9 of the Michigan UCC.

"General Intangibles" shall have the meaning set forth in Article 9 of the Michigan UCC.

"Instruments" shall have the meaning set forth in Article 9 of the Michigan UCC.

"Inventory" shall have the meaning set forth in Article 9 of the Michigan UCC.

"Investment Property" shall have the meaning set forth in Article 9 of the Michigan UCC.

"Michigan UCC" means the Michigan Uniform Commercial Code as in effect from time to time.

"Obligations" means any and all existing and future indebtedness, obligation and liability of every kind, nature and character, direct or indirect, absolute or contingent (including all renewals, extensions and modifications thereof and all fees, costs and expenses incurred by the Lender in connection with the preparation, administration, collection or enforcement thereof), of the Borrower to the Lender or any branch, subsidiary or affiliate thereof, arising under or pursuant to this Security Agreement, the Credit Agreement and any promissory note or notes now or hereafter issued under the Credit Agreement.

"Other Collateral" means any property of the Borrower, other than real estate, not included within the defined terms Accounts, Chattel Paper, Commercial Tort Claims, Documents, Equipment, Farm Products, Fixtures, General Intangibles, Instruments, Inventory, Investment Property and Pledged Deposits, including, without limitation, all cash on hand, letter-of-credit rights, letters of credit, Stock Rights, Copyrights, Patents, Trademarks, Deposit Accounts and other deposits (general or special, time or demand, provisional or final) with any bank or other financial institution, it being intended that the Collateral include all property of the Borrower other than real estate.

"Patents" means all of the Borrower's right, title, and interest in and to: (a) any and all patents and patent applications; (b) all inventions and improvements described and claimed therein; (c) all reissues, divisions, continuations, renewals, extensions, and continuations-in-part thereof; (d) all income, royalties, damages, claims, and payments now or hereafter due or payable under and with respect thereto, including, without limitation, damages and payments for past and future infringements thereof; (e) all rights to sue for past, present, and future infringements thereof; and (f) all rights corresponding to any of the foregoing throughout the world.

"Pledged Deposits" means all time deposits of money (other than Deposit Accounts and Instruments), whether or not evidenced by certificates, which the Borrower may from time to time designate as pledged to the Lender as security for any Obligation, and all rights to receive interest on said deposits.

"Receivables" means the Accounts, Chattel Paper, Documents, Investment Property, Instruments or Pledged Deposits, and any other rights or claims to receive money which are General Intangibles or which are otherwise included as Collateral.

"Section" means a numbered section of this Security Agreement, unless another document is specifically referenced.

"Secured Obligations" means, collectively, (i) the Obligations, (ii) the Banking Services Obligations and (iii) the Swap Agreement Obligations owing to the Lender or its Affiliates.

"Security" has the meaning set forth in Article 8 of the Michigan UCC.

"Stock Rights" means any securities, dividends or other distributions and any other right or property which the Borrower shall receive or shall become entitled to receive for any reason whatsoever with respect to, in substitution for or in exchange for any securities or other ownership interests in a corporation, partnership, joint venture or limited liability company constituting Collateral and any securities, any right to receive securities and any right to receive earnings, in which the Borrower now has or hereafter acquires any right, issued by an issuer of such securities.

"Trademarks" means all of such Borrower's right, title, and interest in and to the following: (a) all trademarks (including service marks), trade names, trade dress, and trade styles and the registrations and applications for registration thereof and the goodwill of the business symbolized by the foregoing; (b) all licenses of the foregoing, whether as licensee or licensor; (c) all renewals of the foregoing; (d) all income, royalties, damages, and payments now or hereafter due or payable with respect thereto, including, without limitation, damages, claims, and payments for past and future infringements thereof; (e) all rights to sue for past, present, and future infringements of the foregoing, including the right to settle suits involving claims and demands for royalties owing; and (f) all rights corresponding to any of the foregoing throughout the world.

The foregoing definitions shall be equally applicable to both the singular and plural forms of the defined terms.

ARTICLE II

GRANT OF SECURITY INTEREST

The Borrower hereby pledges, assigns and grants to the Lender and (to the extent specifically provided herein) its Affiliates, a security interest in all of the Borrower's right, title and interest in and to the Collateral to secure the prompt and complete payment and performance of the Secured Obligations.

ARTICLE III

REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants to the Lender that:

3.1. Title, Authorization, Validity and Enforceability. The Borrower has good and valid rights in or the power to transfer the Collateral and title to the Collateral with respect to which it has purported to grant a security interest hereunder, free and clear of all Liens except for Liens permitted under Section 4.1.6, and has full power and authority to grant to the Lender the security interest in such Collateral pursuant hereto. The execution and delivery by the Borrower of this Security Agreement has been duly authorized by proper corporate proceedings, and this Security Agreement constitutes a legal, valid and binding obligation of the Borrower and creates a security interest which is enforceable against the Borrower in all now owned and hereafter acquired Collateral in accordance with the terms of this Security Agreement, except as limited by applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law. When the financing statements attached hereto as Exhibit "G" have been filed in the appropriate offices against the Borrower in the locations listed on Exhibit "F", the Lender will have a fully perfected first priority security interest in that Collateral in which a security interest may be perfected by filing, subject only to Liens permitted under Section 4.1.6.

3.2. Conflicting Laws and Contracts. Neither the execution and delivery by the Borrower of this Security Agreement, the creation and perfection of the security interest in the Collateral granted hereunder, nor compliance with the terms and provisions hereof will violate any law, rule, regulation, order, writ, judgment, injunction, decree or award binding on the Borrower or the Borrower's articles or certificate of incorporation or by-laws, the provisions of any material indenture, instrument or agreement to which the Borrower is a party or is subject, or by which it, or its property, is bound, or conflict with or constitute an event of default thereunder,

or result in the creation or imposition of any Lien pursuant to the terms of any such material indenture, instrument or agreement (other than Permitted Liens).

3.3. Type and Jurisdiction of Organization. The Borrower is a corporation organized under the laws of the State of Michigan.

3.4. Principal Location. The Borrower's mailing address and the location of its place of business (if it has only one) or its chief executive office (if it has more than one place of business), is disclosed in Exhibit "A"; the Borrower has no other places of business except those set forth in Exhibit "A".

3.5. Property Locations. The Inventory, Equipment and Fixtures are located solely at the locations described in Exhibit "A". All of said locations are owned by the Borrower except for locations (i) which are leased by the Borrower as lessee and designated in Part B of Exhibit "A" and (ii) at which Inventory is held in a public warehouse or is otherwise held by a bailee or on consignment as designated in Part C of Exhibit "A", with respect to which Inventory the Borrower has delivered, to the extent required under the Credit Agreement, bailment agreements, warehouse receipts, financing statements or other documents reasonably satisfactory to the Lender to protect the Lender's security interest in such Inventory.

3.6. No Other Names. The Borrower has not conducted business under any name except the name in which it has executed this Security Agreement, which is the exact name as it appears in the Borrower's organizational documents, as amended, as filed with the Borrower's jurisdiction of organization.

3.7. No Event of Default. No Event of Default or Default exists.

3.8. Accounts and Chattel Paper. The names of the obligors, amounts owing, due dates and other material information with respect to the Accounts and Chattel Paper are and will be correctly stated in all records of the Borrower relating thereto and in all invoices and reports with respect thereto furnished to the Lender by the Borrower from time to time. As of the time when each Account or each item of Chattel Paper arises, the Borrower shall be deemed to have represented and warranted that such Account or Chattel Paper, as the case may be, and all records relating thereto, are genuine and in all material respects what they purport to be.

3.9. Filing Requirements. None of the Equipment is covered by any certificate of title, except for the vehicles described in Part A of Exhibit "B". None of the Collateral is of a type for which security interests or liens may be perfected by filing under any federal statute except for (i) the vehicles described in Part B of Exhibit "B" and (ii) Patents, Trademarks and Copyrights held by the Borrower and described in Part C of Exhibit "B". The legal description, county and street address of the property on which any Fixtures are located is set forth in Exhibit "C" together with the name and address of the record owner of each such property.

3.10. No Financing Statements. No financing statement describing all or any portion of the Collateral which has not lapsed or been terminated naming the Borrower as debtor has been filed in any jurisdiction except (i) financing statements naming the Lender as the secured party, and (ii) as set forth on Exhibit "D".

3.11. Federal Employer Identification Number. The Borrower's Federal employer identification number is 27-3532337.

3.12. State Organization Number. If the Borrower is a registered organization, the Borrower's State organization number is 03479N.

3.13. Pledged Securities and Other Investment Property. Exhibit "E" sets forth a complete and accurate list of the Instruments, Securities and other Investment Property delivered to the Lender. The Borrower is the direct and beneficial owner of each Instrument, Security and other type of Investment Property listed on Exhibit "E" as being owned by it, free and clear of any Liens, except for Permitted Liens. The Borrower further represents and warrants that (i) all such Instruments, Securities or other types of Investment Property which are shares of stock in a corporation or ownership interests in a partnership or limited liability company have been (to the extent such concepts are relevant with respect to such Instrument, Security or other type of Investment Property), to Borrower's knowledge duly and validly issued, are fully paid and non-assessable and (ii) with respect to any certificates delivered to the Lender representing an ownership interest in a partnership or limited liability company, either such certificates are Securities as defined in Article 8 of the Uniform Commercial Code of the applicable jurisdiction as a result of actions by the issuer or otherwise, or, if such certificates are not Securities, the Borrower has so informed the Lender so that the Lender may take steps to perfect its security interest therein as a General Intangible.

3.14 Commercial Tort Claims. It has no Commercial Tort Claims as of the date hereof.

ARTICLE IV

COVENANTS

From the date of this Security Agreement, and thereafter until this Security Agreement is terminated:

4.1. General.

4.1.1. Inspection. Subject to the limitations set forth in Section 5.06 of the Credit Agreement, the Borrower will permit the Lender, by its representatives and agents (i) to inspect the Collateral, (ii) to examine and make copies of the records of the Borrower relating to the Collateral and (iii) to discuss the Collateral and the related records of the Borrower with, and to be advised as to the same by, the Borrower's officers and employees (and, in the case of any Receivable, with any person or entity which is or may be obligated thereon), all at such reasonable times and intervals as the Lender or such Lender may determine, and all at the Borrower's expense.

4.1.2. Taxes. The Borrower will pay when due all taxes, assessments and governmental charges and levies upon the Collateral, except those which are being contested in good faith by appropriate proceedings and with respect to which the failure to make payment pending such contest would not reasonably be expected to result in a Material Adverse Effect.

4.1.3. Records and Reports; Notification of Event of Default. The Borrower will maintain complete and accurate books and records with respect to the Collateral, and furnish to the Lender such reports relating to the Collateral as the Lender shall from time to time reasonably request. The Borrower will give prompt notice in writing to the Lender of the occurrence of any Event of Default or Default and of any other development, financial or otherwise, which would reasonably be expected to materially and adversely affect the Collateral.

4.1.4. Financing Statements and Other Actions; Defense of Title. The Borrower hereby authorizes the Lender to file, and if requested will execute and deliver to the Lender, all financing statements and other documents and take such other actions as may from time to time be reasonably requested by the Lender in order to maintain a first perfected security interest in and, if applicable, Control of, the Collateral. The Borrower will take any and all actions reasonably necessary to defend

title to the Collateral against all persons and to defend the security interest of the Lender in the Collateral and the priority thereof against any Lien not expressly permitted hereunder.

4.1.5. Disposition of Collateral. The Borrower will not sell, lease or otherwise dispose of the Collateral except for (i) prior to the occurrence of an Event of Default or Default, dispositions specifically permitted pursuant to the Credit Agreement, (ii) until such time following the occurrence of and during the continuance of an Event of Default as the Borrower receives a notice from the Lender instructing the Borrower to cease such transactions, sales or leases of Inventory in the ordinary course of business, and (iii) until such time as the Borrower receives a notice from the Lender pursuant to Article VII, proceeds of Inventory and Accounts collected in the ordinary course of business.

4.1.6. Liens. The Borrower will not create, incur, or suffer to exist any Lien on the Collateral except Permitted Liens.

4.1.7. Change in Corporate Existence, Type or Jurisdiction of Organization, Location, Name. The Borrower will:

- (a) preserve its existence as a corporation and not, in one transaction or a series of related transactions, merge into or consolidate with any other entity, or sell all or substantially all of its assets; provided that, notwithstanding anything to the contrary in the preceding sentence, the Borrower may merge with Silbond Corporation, a Michigan corporation, pursuant to the Silbond Acquisition as evidenced by the Silbond Acquisition Documents.
- (b) not change its state of organization;
- (c) not maintain its place of business (if it has only one) or its chief executive office (if it has more than one place of business) at a location other than a location specified on Exhibit "A;" and
- (d) not (i) have any Inventory, Equipment or Fixtures or proceeds or products thereof (other than Inventory and proceeds thereof disposed of as permitted by Section 4.1.5) at a location other than a location specified in Exhibit "A", (ii) change its name or taxpayer identification number or (iii) change its mailing address,

unless the Borrower shall have given the Lender not less than 30 days' prior written notice of such event or occurrence and the Lender shall have either (x) determined that such event or occurrence will not adversely affect the validity, perfection or priority of the Lender's security interest in the Collateral, or (y) taken such steps (with the cooperation of the Borrower to the extent necessary or advisable) as are necessary or advisable to properly maintain the validity, perfection and priority of the Lender's security interest in the Collateral.

4.1.8. Other Financing Statements. The Borrower will not sign or authorize the signing on its behalf or the filing of any financing statement naming it as debtor covering all or any portion of the Collateral, except as permitted by Section 4.1.6.

4.2. Receivables.

4.2.1. Certain Agreements on Receivables. The Borrower will not make or agree to make any discount, credit, rebate or other reduction in the original amount owing on a Receivable or accept in satisfaction of a Receivable less than the original amount thereof, except that, prior to the occurrence of

a Event of Default, the Borrower may reduce the amount of Accounts arising from the sale of Inventory in accordance with its present policies and in the ordinary course of business.

4.2.2. Collection of Receivables. Except as otherwise provided in this Security Agreement, the Borrower will use commercially reasonable efforts to collect and enforce, at the Borrower's sole expense, all amounts due or hereafter due to the Borrower under the Receivables.

4.2.3. Delivery of Invoices. The Borrower will deliver to the Lender immediately upon its request after the occurrence and during the continuance of an Event of Default duplicate invoices with respect to each Account bearing such language of assignment as the Lender shall specify.

4.2.4. Disclosure of Counterclaims on Receivables. If (i) any discount, credit or agreement to make a rebate or to otherwise reduce the amount owing on a Receivable exists or (ii) if, to the knowledge of the Borrower, any dispute, setoff, claim, counterclaim or defense exists or has been asserted or threatened with respect to a Receivable, the Borrower will disclose such fact to the Lender in writing in connection with the inspection by the Lender of any record of the Borrower relating to such Receivable and in connection with any invoice or report furnished by the Borrower to the Lender relating to such Receivable.

4.3. Inventory and Equipment.

4.3.1. Maintenance of Goods. The Borrower will use commercially reasonable efforts in accordance with past practices to maintain, preserve, protect and keep the Inventory and the Equipment in good repair and working and saleable condition, ordinary wear and tear excepted.

4.3.2. Insurance. The Borrower will (i) maintain fire and extended coverage insurance on the Inventory and Equipment containing a lender's loss payable clause in favor of the Lender and providing that said insurance will not be terminated except after at least 30 days' written notice from the insurance company to the Lender, (ii) maintain such other insurance on the Collateral for the benefit of the Lender as the Lender shall from time to time reasonably request, (iii) furnish to the Lender upon the request of the Lender from time to time the originals of all policies of insurance on the Collateral and certificates with respect to such insurance and (iv) maintain general liability insurance naming the Lender as an additional insured.

4.3.3. Titled Vehicles. The Borrower will give the Lender notice of its acquisition of any vehicle covered by a certificate of title and deliver to the Lender, upon request, the original of any vehicle title certificate and take commercially reasonable actions to have the Lien of the Lender noted on any such certificate.

4.4. Instruments, Securities, Chattel Paper, Documents and Pledged Deposits. The Borrower will (i) deliver to the Lender immediately upon execution of this Security Agreement the originals of all Chattel Paper, Securities and Instruments constituting Collateral (if any then exist), (ii) hold in trust for the Lender upon receipt and immediately thereafter deliver to the Lender any Chattel Paper, Securities and Instruments constituting Collateral, (iii) upon the designation of any Pledged Deposits (as set forth in the definition thereof), deliver to the Lender such Pledged Deposits which are evidenced by certificates included in the Collateral endorsed in blank, marked with such legends and assigned as the Lender shall specify, and (iv) upon the Lender's request, after the occurrence and during the continuance of a Event of Default, deliver to the Lender (and thereafter hold in trust for the Lender upon receipt and immediately deliver to the Lender) any Document evidencing or constituting Collateral.

4.5. Uncertificated Securities and Certain Other Investment Property. The Borrower will permit the Lender from time to time to cause the appropriate issuers (and, if held with a securities intermediary, such securities intermediary) of uncertificated securities or other types of Investment Property not represented by certificates which are Collateral to mark their books and records with the numbers and face amounts of all such uncertificated securities or other types of Investment Property not represented by certificates and all rollovers and replacements therefor to reflect the Lien of the Lender granted pursuant to this Security Agreement. The Borrower will take commercially reasonable actions to cause (i) the issuers of uncertificated securities which are Collateral and which are Securities and (ii) any financial intermediary which is the holder of any Investment Property, to cause the Lender to have and retain Control over such Securities or other Investment Property. Without limiting the foregoing, the Borrower will, with respect to Investment Property held with a financial intermediary, cause such financial intermediary to enter into a control agreement with the Lender in form and substance reasonably satisfactory to the Lender.

4.6. Stock and Other Ownership Interests.

4.6.1. Changes in Capital Structure of Issuers. The Borrower will not (i) permit or suffer any issuer of privately held corporate securities or other ownership interests in a corporation, partnership, joint venture or limited liability company constituting Collateral in which Borrower holds a controlling interest to dissolve, liquidate, retire any of its capital stock or other Instruments or Securities evidencing ownership, reduce its capital or merge or consolidate with any other entity, or (ii) vote any of the Instruments, Securities or other Investment Property in favor of any of the foregoing.

4.6.2. Issuance of Additional Securities. The Borrower will not permit or suffer the issuer of privately held corporate securities or other ownership interests in a corporation, partnership, joint venture or limited liability company constituting Collateral in which Borrower holds a controlling interest to issue any such securities or other ownership interests, any right to receive the same or any right to receive earnings, except to the Borrower.

4.6.3. Registration of Pledged Securities and other Investment Property. After the occurrence and during the continuance of any Event of Default, the Borrower will permit any registerable Collateral to be registered in the name of the Lender or its nominee at any time at the option of the Lender.

4.6.4. Exercise of Rights in Pledged Securities and other Investment Property. The Borrower will permit the Lender or its nominee at any time after the occurrence and during the continuance of an Event of Default, without notice to Borrower, to exercise all voting and corporate rights relating to the Collateral, including, without limitation, exchange, subscription or any other rights, privileges, or options pertaining to any corporate securities or other ownership interests or Investment Property in or of a corporation, partnership, joint venture or limited liability company constituting Collateral and the Stock Rights as if it were the absolute owner thereof.

4.7. Pledged Deposits. The Borrower will not withdraw all or any portion of any Pledged Deposit or fail to rollover said Pledged Deposit without the prior written consent of the Lender.

4.8. Deposit Accounts. The Borrower will (i) upon the Lender's reasonable request, cause each bank or other financial institution in which it maintains (a) a Deposit Account to enter into a control agreement with the Lender, in form and substance reasonably satisfactory to the Lender in order to give the Lender Control of the Deposit Account or (b) other deposits (general or special, time or demand, provisional or final) to be notified of the security interest granted to the Lender hereunder and cause each such bank or other financial institution to acknowledge such notification in writing and (ii) upon the Lender's request after the occurrence and during the continuance of a Event of Default, deliver to each such bank or other financial institution a

letter, in form and substance reasonably acceptable to the Lender, transferring ownership of the Deposit Account to the Lender or transferring dominion and control over each such other deposit to the Lender.

4.9. Letter-of-Credit Rights. The Borrower will upon the Lender's request, cause each issuer of a letter of credit, to consent to the assignment of proceeds of the letter of credit in order to give the Lender Control of the letter-of-credit rights to such letter of credit.

4.10. Federal, State or Municipal Claims. The Borrower will notify the Lender of any Collateral which constitutes a claim against the United States government or any state or local government or any instrumentality or agency thereof, the assignment of which claim is restricted by federal, state or municipal law.

4.11 Commercial Tort Claims. The Borrower shall promptly, and in any event within two Business Days after the same is acquired by it, notify the Lender of any Commercial Tort Claim having a value in excess of \$50,000 acquired by it and, unless the Lender otherwise consents, the Borrower shall provide the Lender with a specific description thereof (i.e. parties, description of the dispute, case number, etc.) and enter into an amendment to this Security Agreement, in the form and substance reasonably satisfactory to the Lender, granting to the Lender a first priority security interest in such Commercial Tort Claim.

4.12 Collateral Access Agreements. The Borrower shall use commercially reasonable efforts to obtain a Collateral Access Agreement from each lessor of each leased property, bailee or consignee with respect to any warehouse, processor or converter facility or other location where Collateral is stored or located. The Borrower shall timely and fully pay and perform its material obligations under all leases and other agreements with respect to each leased location or third party warehouse where any Collateral is or may be located, except to the extent that such obligation is being contested in good faith.

4.13 Intellectual Property. The Borrower shall promptly, and in any event within two Business Days after the same is acquired by it, notify the Lender of any Patent, Trademark or Copyrights acquired by it and, unless the Lender otherwise consents, the Borrower shall provide the Lender with a specific description thereof and enter into an amendment to this Security Agreement, in the form and substance satisfactory to the Lender, granting to the Lender a first priority security interest therein.

4.14 Assigned Contracts. The Borrower shall fully perform all of its obligations under each of the Assigned Contracts, and shall enforce all of its rights and remedies thereunder, in each case, as it deems appropriate in its business judgment; *provided however, that* the Borrower shall not take any action or fail to take any action with respect to its Assigned Contracts which would cause the termination of a material Assigned Contract. Without limiting the generality of the foregoing, the Borrower shall take all commercially reasonable action necessary or appropriate to permit the full enforcement of all indemnification rights under its Assigned Contracts. The Borrower shall notify the Lender in writing, promptly after the Borrower becomes aware thereof, of any event or fact which could give rise to a material claim by it for indemnification under any of its Assigned Contracts, and shall diligently pursue such right and report to the Lender on all material further developments with respect thereto. The Lender shall not be obligated to perform or fulfill any of the Borrower's duties or obligations under its Assigned Contracts or to make any payment thereunder, or to make any inquiry as to the nature or sufficiency of any payment or property received by it thereunder or the sufficiency of performance by any party thereunder, or to present or file any claim, or to take any action to collect or enforce any performance, any payment of any amounts, or any delivery of any property.

ARTICLE V

EVENT OF DEFAULT

5.1. Events of Default. The occurrence of any one or more of the following events shall constitute an Event of Default: (a) any Secured Obligation shall not be paid when due, whether at stated maturity, upon acceleration, or otherwise, but given effect to any grace period, or (b) the occurrence of any "Event of Default" under, and as defined in, the Credit Agreement.

5.2. Acceleration and Remedies. Upon the acceleration of the obligations under the Credit Agreement pursuant to Article VII thereof, the Secured Obligations shall immediately become due and payable without presentment, demand, protest or notice of any kind, all of which are hereby expressly waived, and the Lender may exercise any or all of the following rights and remedies:

5.2.1. Those rights and remedies provided in this Security Agreement, the Credit Agreement, or any other Loan Document, provided that this Section 5.2.1 shall not be understood to limit any rights or remedies available to the Lender prior to a Event of Default.

5.2.2. Those rights and remedies available to a secured party under the Michigan UCC (whether or not the Michigan UCC applies to the affected Collateral) or under any other applicable law (including, without limitation, any law governing the exercise of a bank's right of setoff or bankers' lien) when a debtor is in default under a security agreement.

5.2.3. Without notice except as specifically provided in Section 8.1 or elsewhere herein, sell, lease, assign, grant an option or options to purchase or otherwise dispose of the Collateral or any part thereof in one or more parcels at public or private sale, for cash, on credit or for future delivery, and upon such other terms as the Lender may deem commercially reasonable.

The Lender, on behalf of the secured parties, may comply with any applicable state or federal law requirements in connection with a disposition of the Collateral and compliance will not be considered to adversely affect the commercial reasonableness of any sale of the Collateral.

5.3. Debtor's Obligations Upon Event of Default. Upon the request of the Lender after the occurrence and during the continuance of a Event of Default, the Borrower will:

5.3.1. Assembly of Collateral. Assemble and make available to the Lender the Collateral and all records relating thereto at any place or places specified by the Lender.

5.3.2. Secured Party Access. Permit the Lender, by the Lender's representatives and agents, to enter any premises where all or any part of the Collateral, or the books and records relating thereto, or both, are located, to take possession of all or any part of the Collateral and to remove all or any part of the Collateral.

5.4. License. The Lender is hereby granted a license or other right to use, following the occurrence and during the continuance of an Event of Default, without charge, the Borrower's labels, patents, copyrights, rights of use of any name, trade secrets, trade names, trademarks, service marks, customer lists and advertising matter, or any property of a similar nature, as it pertains to the Collateral, for the purpose of completing production of, advertising for sale, and selling any Collateral, and, following the occurrence and during the continuance of an Event of Default, the Borrower's rights under all licenses and all franchise agreements shall inure to the Lender's benefit. In addition, the Borrower hereby irrevocably agrees that the Lender may, following the occurrence and during the continuance of an Event of Default, sell any of the Borrower's Inventory directly to any person, including without limitation persons who have previously purchased the Borrower's Inventory from the Borrower and in connection with any such sale or other enforcement of the Lender's rights under this Agreement, may sell Inventory which bears any trademark owned by or licensed to the Borrower and any Inventory that is covered by any copyright owned by or licensed to the Borrower and the

Lender may finish any work in process and affix any trademark owned by or licensed to the Borrower and sell such Inventory as provided herein.

ARTICLE VI

WAIVERS, AMENDMENTS AND REMEDIES

No delay or omission of the Lender to exercise any right or remedy granted under this Security Agreement shall impair such right or remedy or be construed to be a waiver of any Event of Default or an acquiescence therein, and any single or partial exercise of any such right or remedy shall not preclude any other or further exercise thereof or the exercise of any other right or remedy. No waiver, amendment or other variation of the terms, conditions or provisions of this Security Agreement whatsoever shall be valid unless in writing signed by the Lender and the Borrower and then only to the extent in such writing specifically set forth. All rights and remedies contained in this Security Agreement or by law afforded shall be cumulative and all shall be available to the Lender until the Secured Obligations have been paid in full.

ARTICLE VII

PROCEEDS; COLLECTION OF RECEIVABLES

7.1. Lockboxes. Upon request of the Lender, after the occurrence and during the continuance of an Event of Default or Default, the Borrower shall execute and deliver to the Lender irrevocable lockbox agreements in the form provided by or otherwise reasonably acceptable to the Lender, which agreements shall be accompanied by an acknowledgment by the bank where the lockbox is located of the Lien of the Lender granted hereunder and of irrevocable instructions to wire all amounts collected therein to a special collateral account at the Lender.

7.2. Collection of Receivables. The Lender may at any time after the occurrence and during the continuance of an Event of Default, by giving the Borrower written notice, elect to require that the Receivables be paid directly to the Lender. In such event, the Borrower shall, and shall permit the Lender to, promptly notify the account debtors or obligors under the Receivables of the Lender's interest therein and direct such account debtors or obligors to make payment of all amounts then or thereafter due under the Receivables directly to the Lender. Upon receipt of any such notice from the Lender, the Borrower shall thereafter hold in trust for the Lender all amounts and proceeds received by it with respect to the Receivables and Other Collateral and immediately and at all times thereafter deliver to the Lender all such amounts and proceeds in the same form as so received, whether by cash, check, draft or otherwise, with any necessary endorsements. The Lender shall hold and apply funds so received as provided by the terms of Sections 7.3 and 7.4.

7.3. Special Collateral Account. The Lender may require all cash proceeds of the Collateral to be deposited in a special non-interest bearing cash collateral account with the Lender and held there as security for the Secured Obligations. The Borrower shall have no control whatsoever over said cash collateral account. If no Event of Default has occurred or is continuing, the Lender shall from time to time deposit the collected balances in said cash collateral account into the Borrower's general operating account with the Lender. If any Event of Default has occurred and is continuing, the Lender may from time to time, apply the collected balances in said cash collateral account to the payment of the Secured Obligations whether or not the Secured Obligations shall then be due.

7.4. Application of Proceeds. The proceeds of the Collateral shall be applied by the Lender to payment of the Secured Obligations in the following order unless a court of competent jurisdiction shall otherwise direct:

- (a) FIRST, to payment of all reasonably out-of-pocket costs and expenses of the Lender incurred in connection with the collection and enforcement of the Secured Obligations or of the security interest granted to the Lender pursuant to this Security Agreement;
- (b) SECOND, to payment of the Secured Obligations; and
- (c) THIRD, the balance, if any, after all of the Secured Obligations have been satisfied, shall be paid to the Borrower or such other Person legally entitled thereto.

ARTICLE VIII

GENERAL PROVISIONS

8.1. Notice of Disposition of Collateral; Condition of Collateral. The Borrower hereby waives notice of the time and place of any public sale or the time after which any private sale or other disposition of all or any part of the Collateral may be made. To the extent such notice may not be waived under applicable law, any notice made shall be deemed reasonable if sent to the Borrower, addressed as set forth in Article IX, at least ten days prior to (i) the date of any such public sale or (ii) the time after which any such private sale or other disposition may be made. Lender shall have no obligation to clean-up or otherwise prepare the Collateral for sale.

8.2. Compromises and Collection of Collateral. The Borrower and the Lender recognize that setoffs, counterclaims, defenses and other claims may be asserted by obligors with respect to certain of the Receivables, that certain of the Receivables may be or become uncollectible in whole or in part and that the expense and probability of success in litigating a disputed Receivable may exceed the amount that reasonably may be expected to be recovered with respect to a Receivable. In view of the foregoing, the Borrower agrees that the Lender may at any time and from time to time, if an Event of Default has occurred and is continuing, compromise with the obligor on any Receivable, accept in full payment of any Receivable such amount as the Lender in its sole discretion shall determine or abandon any Receivable, and any such action by the Lender shall be commercially reasonable so long as the Lender acts in good faith based on information known to it at the time it takes any such action.

8.3. Secured Party Performance of Debtor Obligations. Without having any obligation to do so, the Lender may perform or pay any obligation which the Borrower has agreed to perform or pay in this Security Agreement and the Borrower shall reimburse the Lender for any amounts paid by the Lender pursuant to this Section 8.3. The Borrower's obligation to reimburse the Lender pursuant to the preceding sentence shall be a Secured Obligation payable on demand.

8.4. Authorization for Secured Party to Take Certain Action. The Borrower irrevocably authorizes the Lender at any time and from time to time in the Permitted Discretion of the Lender and appoints the Lender as its attorney in fact (i) to execute on behalf of the Borrower as debtor and to file financing statements necessary or desirable in the Lender's Permitted Discretion to perfect and to maintain the perfection and priority of the Lender's security interest in the Collateral, (ii) to indorse and collect any cash proceeds of the Collateral, (iii) to file a carbon, photographic or other reproduction of this Security Agreement or any financing statement with respect to the Collateral as a financing statement and to file any other financing statement or amendment of a financing statement (which does not add new collateral or add a debtor) in such offices as the Lender in its

sole discretion deems necessary or desirable to perfect and to maintain the perfection and priority of the Lender's security interest in the Collateral, (iv) to contact and enter into one or more agreements with the issuers of uncertificated securities which are Collateral and which are Securities or with financial intermediaries holding other Investment Property as may be necessary or reasonably advisable to give the Lender Control over such Securities or other Investment Property, (v) subject to the terms of Section 4.1.5, to enforce payment of the Receivables in the name of the Lender or the Borrower, (vi) to apply the proceeds of any Collateral received by the Lender to the Secured Obligations as provided in Article VII and (vii) to discharge past due taxes, assessments, charges, fees or Liens on the Collateral (except for such Liens as are specifically permitted hereunder), and the Borrower agrees to reimburse the Lender on demand for any payment made or any reasonable out-of-pocket expense incurred by the Lender in connection therewith, provided that this authorization shall not relieve the Borrower of any of its obligations under this Security Agreement or under the Credit Agreement.

8.5. Specific Performance of Certain Covenants. The Borrower acknowledges and agrees that a breach of any of the covenants contained in Sections 4.1.5, 4.1.6, 4.4, 5.3, or 8.7 or in Article VII will cause irreparable injury to the Lender, that the Lender has no adequate remedy at law in respect of such breaches and therefore agrees, without limiting the right of the Lender to seek and obtain specific performance of other obligations of the Borrower contained in this Security Agreement, that the covenants of the Borrower contained in the Sections referred to in this Section 8.5 shall be specifically enforceable against the Borrower.

8.6. Use and Possession of Certain Premises. Upon the occurrence and during the continuance of an Event of Default, the Lender shall be entitled to occupy and use any premises owned or leased by the Borrower where any of the Collateral or any records relating to the Collateral are located until the Secured Obligations are paid or the Collateral is removed therefrom, whichever first occurs, without any obligation to pay the Borrower for such use and occupancy.

8.7. Dispositions Not Authorized. The Borrower is not authorized to sell or otherwise dispose of the Collateral except as set forth in Section 4.1.5 and notwithstanding any course of dealing between the Borrower and the Lender or other conduct of the Lender, no authorization to sell or otherwise dispose of the Collateral (except as set forth in Section 4.1.5) shall be binding upon the Lender unless such authorization is in writing signed by the Lender.

8.8. Benefit of Agreement. The terms and provisions of this Security Agreement shall be binding upon and inure to the benefit of the Borrower, the Lender and their respective successors and assigns (including all persons who become bound as a debtor to this Security Agreement), except that the Borrower shall not have the right to assign its rights or delegate its obligations under this Security Agreement or any interest herein, without the prior written consent of the Lender.

8.9. Survival of Representations. All representations and warranties of the Borrower contained in this Security Agreement shall survive the execution and delivery of this Security Agreement.

8.10. Taxes and Expenses. Any taxes (including income taxes) payable or ruled payable by Federal or State authority in respect of this Security Agreement shall be paid by the Borrower, together with interest and penalties, if any. The Borrower shall reimburse the Lender for reasonable out-of-pocket expenses and internal charges (including reasonable attorneys', auditors' and accountants' fees and reasonable time charges of attorneys, paralegals, auditors and accountants who may be employees of the Lender) paid or incurred by the Lender in connection with the preparation, execution, delivery, administration, collection and enforcement of this Security Agreement and in the audit, analysis, administration, collection, preservation or sale of the Collateral (including the expenses and charges associated with any periodic or special audit of the Collateral). Any and all costs and expenses incurred by the Borrower in the performance of actions required pursuant to the terms hereof shall be borne solely by the Borrower.

8.11. Headings. The title of and section headings in this Security Agreement are for convenience of reference only, and shall not govern the interpretation of any of the terms and provisions of this Security Agreement.

8.12. Termination. This Security Agreement shall continue in effect (notwithstanding the fact that from time to time there may be no Secured Obligations outstanding) until (i) the Credit Agreement has terminated pursuant to its express terms and (ii) all of the Secured Obligations (other than unasserted contingent claims for indemnification and reimbursement) have been indefeasibly paid and performed in full and no commitments of the Lender which would give rise to any Secured Obligations are outstanding.

8.13. Entire Agreement. This Security Agreement embodies the entire agreement and understanding between the Borrower and the Lender relating to the Collateral and supersedes all prior agreements and understandings between the Borrower and the Lender relating to the Collateral.

8.14. CHOICE OF LAW. THIS SECURITY AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS (AND NOT THE LAW OF CONFLICTS) OF THE STATE OF MICHIGAN, BUT GIVING EFFECT TO FEDERAL LAWS APPLICABLE TO NATIONAL BANKS.

8.16. Indemnity. The Borrower hereby agrees to indemnify the Lender and its successors, assigns, agents and employees, from and against any and all liabilities, damages, penalties, suits, costs, and expenses of any kind and nature (including, without limitation, all expenses of litigation or preparation therefor whether or not the Lender is a party thereto) imposed on, incurred by or asserted against the Lender, or its successors, assigns, agents and employees, in any way relating to or arising out of this Security Agreement, or the manufacture, purchase, acceptance, rejection, ownership, delivery, lease, possession, use, operation, condition, sale, return or other disposition of any Collateral (including, without limitation, latent and other defects, whether or not discoverable by the Lender or the Borrower, and any claim for patent, trademark or copyright infringement), provided that such indemnity shall not, as to any indemnitee, be available to the extent that such liabilities, damages, penalties, suits, costs or expenses resulted from the gross negligence of willful misconduct of such indemnitee.

ARTICLE IX

NOTICES

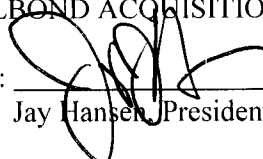
9.1. Sending Notices. Any notice required or permitted to be given under this Security Agreement shall be sent (and deemed received) in the manner and to the addresses set forth in the Credit Agreement.

9.2. Change in Address for Notices. Each of the Borrower and the Lender may change the address for service of notice upon it by a notice in writing to the other parties.

[Signature Page Follows]

IN WITNESS WHEREOF, the Borrower and the Lender have executed this Security Agreement as of the date first above written.

SILBOND ACQUISITION CORPORATION

By:  _____

Jay Hansen, President

JPMORGAN CHASE BANK, N.A.

By: _____

Title: _____

IN WITNESS WHEREOF, the Borrower and the Lender have executed this Security Agreement as of the date first above written.

SILBOND ACQUISITION CORPORATION

By: _____
Jay Hansen, President

JPMORGAN CHASE BANK, N.A.

By: Richard C Ellis
Title: SVP

EXHIBIT "A"

(See Sections 3.3, 3.4, 3.5, 4.1.7 and 9.1 of Security Agreement)

Place of Business (if it has only one) or Chief Executive Office (if more than one place of business) and Mailing Address:

Silbond Acquisition Corporation
40900 Woodward Ave., Suite 130
Bloomfield Hills, MI 48304

Silbond Corporation
9901 Sand Creek Hwy
P.O. Box 200
Weston, MI 49289

Locations of Inventory and Equipment and Fixtures:

A. Properties Owned by the Borrower:

1. 9901 Sand Creek Hwy, Weston, MI
2. 9845 Sand Creek Highway, Weston, MI
3. 9000 Sand Creek Highway, Weston, MI
4. 5000 W. Weston, Sand Creek, MI

B. Properties Leased by the Borrower (Include Landlord's Name):

None

C. Public Warehouses or other Locations pursuant to Bailment or Consignment Arrangements (include name of Warehouse Operator or other Bailee or Consignee):

None

U.S. Copyright Application/Registrations:

The Borrower has not registered any copyrights with the United States Copyright Office or any other similar office

U.S. and Michigan Trademark Applications/Registrations:

| Reg./Ser. No. | Mark | Goods/Services | Owner |
|---------------|---------|----------------------------|---------------------|
| 1211155 | SILBOND | (INT.CL.1) ALKYL SILICATES | Silbond Corporation |

Internet Domain Names

www.silbond.com

Licenses

1. Patent License Agreement dated July 18, 2006 between John Carberry, Mossey Creek Technology, L.L.C., and Silbond Corporation. Carberry and Mossey Creek licensed to Silbond an exclusive, world-wide, royalty-free right to use the process described in Patent No. 6,638,491 for the preparation of Silicon Metal for use in any chemical process that yields Tetra Ethyl Ortho Silicate or Tetra Methyl Ortho Silicate as a product either directly, indirectly, or as a byproduct.
2. Agreement dated May 16, 2003 between Silbond Corporation and TAL Materials, Inc. pursuant to which Silbond obtained the world-wide exclusive right to use certain U.S. and foreign patents held by TAL for the manufacture, use and sale of silica nanopowders.

EXHIBIT "C"
(See Section 3.9 of Security Agreement)

Legal description, county and street address of property on which
Fixtures are located:

9901 Sand Creek Highway, Weston, MI (see attached legal description)

Name and Address of Record Owner:

Silbond Corporation, 9901 Sand Creek Highway, Weston, MI

EXHIBIT "D"
(See Sections 3.10 and 4.1.6 of Security Agreement)

EXISTING LIENS ON THE COLLATERAL

None.

EXHIBIT "E"

List of Pledged Securities
(See Section 3.13 of Security Agreement)

A. STOCKS:

| <u>Issuer</u> | <u>Certificate Number</u> | <u>Number of Shares</u> |
|---------------|---------------------------|-------------------------|
|---------------|---------------------------|-------------------------|

None.

B. BONDS:

| <u>Issuer</u> | <u>Number</u> | <u>Face Amount</u> | <u>Coupon Rate</u> | <u>Maturity</u> |
|---------------|---------------|--------------------|--------------------|-----------------|
|---------------|---------------|--------------------|--------------------|-----------------|

None.

C. GOVERNMENT SECURITIES:

| <u>Issuer</u> | <u>Number</u> | <u>Type</u> | <u>Face Amount</u> | <u>Coupon Rate</u> | <u>Maturity</u> |
|---------------|---------------|-------------|--------------------|--------------------|-----------------|
|---------------|---------------|-------------|--------------------|--------------------|-----------------|

None.

D. OTHER SECURITIES OR OTHER INVESTMENT PROPERTY
(CERTIFICATED AND UNCERTIFICATED):

| <u>Issuer</u> | <u>Description of Collateral</u> | <u>Percentage Ownership Interest</u> |
|---------------|----------------------------------|--------------------------------------|
|---------------|----------------------------------|--------------------------------------|

None.

EXHIBIT "F"
(See Section 3.1 of Security Agreement)

OFFICES IN WHICH FINANCING STATEMENTS HAVE BEEN FILED

1. Department of State of the State of Michigan
2. Lenawee County Register of Deeds

EXHIBIT "G"
(See Section 3.1 of Security Agreement)

FINANCING STATEMENTS

1. See attached UCC-1 filed with the Department of State of the State of Michigan
2. See attached fixture filing filed with the Lenawee County Register of Deeds

DETROIT 7-4379 1175010v8