

TRADEMARK ASSIGNMENT COVER SHEET

Electronic Version v1.1
Stylesheet Version v1.2

ETAS ID: TM405966

SUBMISSION TYPE:	NEW ASSIGNMENT		
NATURE OF CONVEYANCE:	Security Agreement		
CONVEYING PARTY DATA			
Name	Formerly	Execution Date	Entity Type
W.J. Dennis & Company		06/13/2014	Corporation: DELAWARE
RECEIVING PARTY DATA			
Name:	Bank of Montreal		
Street Address:	105 St-Jacques Street West, 3rd Floor		
City:	Montreal		
State/Country:	CANADA		
Postal Code:	H2Y 1L6		
Entity Type:	Bank: CANADA		
PROPERTY NUMBERS Total: 2			
Property Type	Number	Word Mark	
Registration Number:	1276973	STORM-TITE	
Registration Number:	0773929	D DENNIS	
CORRESPONDENCE DATA			
Fax Number:			
<i>Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent using a fax number, if provided; if that is unsuccessful, it will be sent via US Mail.</i>			
Email:	michael.barys@thomsonreuters.com		
Correspondent Name:	Gregory T. Pealer		
Address Line 1:	111 West Monroe Street		
Address Line 2:	Chapman and Cutler LLP		
Address Line 4:	Chicago, ILLINOIS 60603		
NAME OF SUBMITTER:	Gregory T. Pealer		
SIGNATURE:	/Michael Barys/		
DATE SIGNED:	11/18/2016		
Total Attachments: 31			
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RECORDATION FORM COVER SHEET TRADEMARKS ONLY

To the Director of the U. S. Patent and Trademark Office: Please record the attached documents or the new address(es) below.

1. Name of conveying party(ies):

W.J. Dennis & Company
180 de Normandie Street
Boucherville, Quebec J4B5S7
Canada

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

Citizenship (see guidelines) Delaware

Additional names of conveying parties attached? Yes No

3. Nature of conveyance/Execution Date(s) :

Execution Date(s) June 13, 2014

- Assignment Merger
 Security Agreement Change of Name
 Other _____

2. Name and address of receiving party(ies)

Additional names, addresses, or citizenship attached? Yes No

Name: Bank of Montreal

Street Address: 105 St-Jacques Street West, 3rd Floor

City: Montreal

State: Quebec

Country: Canada Zip: H2Y 1L6

- Individual(s) Citizenship _____
 Association Citizenship _____
 Partnership Citizenship _____
 Limited Partnership Citizenship _____
 Corporation Citizenship _____
 Other Bank Citizenship Canada

If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No
(Designations must be a separate document from assignment)

4. Application number(s) or registration number(s) and identification or description of the Trademark.

A. Trademark Application No.(s) Text

See Schedule A

B. Trademark Registration No.(s)

See Schedule A

Additional sheet(s) attached? Yes No

C. Identification or Description of Trademark(s) (and Filing Date if Application or Registration Number is unknown):

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

Name: Gregory T. Pealer

Internal Address: Chapman and Cutler LLP

Street Address: 111 West Monroe Street

City: Chicago

State: Illinois Zip: 60603

Phone Number: 312-845-2955

Docket Number: _____

Email Address: pealer@chapman.com

6. Total number of applications and registrations involved:

2

7. Total fee (37 CFR 2.6(b)(6) & 3.41) \$ _____

- Authorized to be charged to deposit account
 Enclosed

8. Payment Information:

Deposit Account Number _____

Authorized User Name _____

9. Signature: , for Chapman and Cutler LLP

November 17, 2016

Signature

Date


Gregory T. Pealer, Senior Paralegal

Name of Person Signing

Total number of pages including cover sheet, attachments, and document: **32**

Documents to be recorded (including cover sheet) should be faxed to (571) 273-0140, or mailed to: Mail Stop Assignment Recordation Branch, Director of the USPTO, P.O. Box 1450, Alexandria, VA 22313-1450

SCHEDULE A

Trademark	App/Reg no.	Owner
STORM-TITE Cross References: STORM TIGHT	73/355,862 1,276,973	W.J. DENNIS & COMPANY
D DENNIS 	72/150,855 0,773,929	W.J. DENNIS & COMPANY

GENERAL SECURITY AGREEMENT

This General Security Agreement (as amended, modified or supplemented from time to time, the "Agreement") is dated as of June 13, 2014, between W.J. DENNIS & COMPANY, a Delaware corporation (the "Debtor"), with its mailing address as set forth in Section 12(b) hereof, and BANK OF MONTREAL, a Canadian chartered bank (together with its permitted successors and assigns, the "Secured Party"), with its mailing address as set forth in Section 12(b) hereof.

PRELIMINARY STATEMENT

A. The Debtor has requested that the Secured Party extend credit or otherwise make financial accommodations available to or for the account of RCR International Corp., a Canadian corporation (the "Borrower") pursuant to the terms of that certain Loan Agreement, dated as of June 13, 2014, by and among Borrower, the Debtor and the Secured Party (as amended, modified or supplemented from time to time, the "Loan Agreement"). Terms used herein but not otherwise defined herein or the UCC (as described below) shall have the meaning set forth in the Loan Agreement. Other interpretive provisions set forth in the Loan Documents are incorporated herein by reference.

B. As a condition to extending credit or otherwise making financial accommodations available to or for the account of the Borrower under the Loan Documents, the Secured Party requires, among other things, that the Debtor grant the Secured Party a security interest in the Debtor's personal property described herein subject to the terms and conditions hereof.

C. Such credit and other financial accommodations to the Borrower under the Loan Documents shall benefit the Debtor.

NOW, THEREFORE, in consideration of the benefits accruing to the Debtor, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

Section 1. Grant of Security Interest. The Debtor hereby grants to the Secured Party a lien on and security interest in, and acknowledges and agrees that the Secured Party has and shall continue to have a continuing lien on and security interest in, all right, title, and interest of the Debtor, whether now owned or existing or hereafter created, acquired, or arising, in and to all of the following to secure the Obligations:

- (a) Accounts (including Health-Care-Insurance Receivables, if any);
- (b) Chattel Paper;
- (c) Instruments (including Promissory Notes);
- (d) Documents;

- (e) General Intangibles (including Payment Intangibles and Software, patents, trademarks, tradestyles, copyrights, and all other intellectual property rights, including all applications, registration, and licenses therefor, and all goodwill of the business connected therewith or represented thereby);
- (f) Letter-of-Credit Rights;
- (g) Supporting Obligations;
- (h) Deposit Accounts;
- (i) Investment Property (including certificated and uncertificated Securities, Securities Accounts, Security Entitlements, Commodity Accounts, and Commodity Contracts);
- (j) Inventory;
- (k) Equipment (including all software, whether or not the same constitutes embedded software, used in the operation thereof);
- (l) Fixtures;
- (m) Commercial Tort Claims (as described on Schedule G hereto or on one or more supplements to this Agreement);
- (n) Rights to merchandise and other Goods (including rights to returned or repossessed Goods and rights of stoppage in transit) which is represented by, arises from, or relates to any of the foregoing;
- (o) Monies, personal property, and interests in personal property of the Debtor of any kind or description now held by the Secured Party or at any time hereafter transferred or delivered to, or coming into the possession, custody, or control of, the Secured Party, or any agent or affiliate of the Secured Party, whether expressly as collateral security or for any other purpose (whether for safekeeping, custody, collection or otherwise), and all dividends and distributions on or other rights in connection with any such property;
- (p) Supporting evidence and documents relating to any of the above-described property, including, without limitation, computer programs, disks, tapes and related electronic data processing media, and all rights of the Debtor to retrieve the same from third parties, written applications, credit information, account cards, payment records, correspondence, delivery and installation certificates, invoice copies, delivery receipts, notes, and other evidences of indebtedness, insurance certificates and the like, together with all books of account, ledgers, and cabinets in which the same are reflected or maintained;
- (q) Accessions and additions to, and substitutions and replacements of, any and all of the foregoing; and
- (r) Proceeds and products of the foregoing, and all insurance of the foregoing and proceeds thereof;

all of the foregoing being herein sometimes referred to as the "Collateral". All terms which are used in this Agreement which are defined in the Uniform Commercial Code of the State of Illinois as in effect from time to time ("UCC") shall have the same meanings herein as such terms are defined in the UCC, unless this Agreement shall otherwise specifically provide. For purposes of this Agreement, the term "Receivables" means all rights to the payment of a monetary obligation, whether or not earned by performance, and whether evidenced by an Account, Chattel Paper, Instrument, General Intangible, or otherwise.

Notwithstanding anything herein to the contrary, in no event shall the Collateral include and Debtor shall not be deemed to have granted a security interest in, any of Debtor's right, title or interest (a) the equity interests of foreign subsidiaries to the extent the pledge of the same would cause material adverse tax consequences to the Debtor, (b) in any Intellectual Property if the grant of such security interest shall constitute or result in the abandonment, invalidation or rendering unenforceable any right, title or interest of Debtor therein; or (c) in any license, contract or agreement to which Debtor is a party or any of its rights or interests thereunder, to the extent, but only to the extent, that such a grant would, under the terms of such license, contract or agreement (including, without limitation, any partnership agreements or any limited liability company agreements or otherwise), result in a breach or termination of the terms of, or constitute a default under or termination of any such license, contract or agreement (other than to the extent that any such term would be rendered ineffective pursuant to Section 9-318(4) of the Uniform Commercial Code (or any successor provision or provisions, including, without limitation, Section 9-406 of the UCC) of any relevant jurisdiction or any other applicable law (including the Bankruptcy Code) or principles of equity); provided, that Debtor agrees to use all reasonable efforts to obtain all requisite consent to enable Debtor to provide a security interest in such asset and, in any event, immediately upon the ineffectiveness, lapse or termination of any such provision, the Collateral shall include, and Debtor shall be deemed to have granted a security interest in, all such rights and interests as if such provision had never been in effect.

Section 2. Obligations Hereby Secured. The lien and security interest herein granted and provided for is made and given to secure, and shall secure, the payment and performance of (a) any and all indebtedness, obligations, and liabilities of whatsoever kind and nature of the Borrower to the Secured Party (whether arising before or after the filing of a petition in bankruptcy and including, without limitation, interest which but for the filing of a petition in bankruptcy would accrue on such obligations), whether direct or indirect, absolute or contingent, due or to become due, and whether now existing or hereafter arising and howsoever held, evidenced, or acquired, and whether several, joint or joint and several arising under this Agreement or the other Loan Documents (collectively, the "Borrower Debt"), (b) any and all indebtedness, obligations, and liabilities of the Debtor to the Secured Party (whether arising before or after the filing of a petition in bankruptcy and including, without limitation, interest which but for the filing of a petition in bankruptcy would accrue on such obligations) hereunder or under the other Loan Documents, whether such indebtedness, obligations, and liabilities of the Debtor are due or to become due, and whether now existing or hereafter arising and whether several, joint or joint and several, (c) any and all expenses and charges, legal or otherwise, suffered or incurred by the Secured Party in collecting or enforcing any of such indebtedness, obligations or liabilities described in this Section 2 or in realizing on or protecting or preserving

any security therefor, including, without limitation, the lien and security interest granted hereby in each case pursuant to the terms hereof and the other Loan Documents, and (d) all obligations falling within the foregoing descriptions in clauses (a) through (c) which do not yet exist but which represent future obligations of Borrower or Debtor to Secured Party or which arise out of future agreements between Borrower and/or Debtor and the Secured Party (all of the foregoing being hereinafter referred to collectively as the "Obligations").

Notwithstanding the foregoing, the term "Obligations" shall not include, and the lien and security interest herein granted and provided for by Debtor does not secure, Excluded Swap Obligations. For purposes of this Agreement:

"Commodity Exchange Act" means the Commodity Exchange Act (7 U.S.C. § 1 et seq.).

"Excluded Swap Obligation" means any Swap Obligation of the Borrower if, and to the extent that, all or a portion of the guarantee of the undersigned of such Swap Obligation is or becomes illegal or unlawful under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of the undersigned's failure for any reason to constitute an "eligible contract participant" as defined in the Commodity Exchange Act at the time this guaranty becomes effective with respect to such Swap Obligation. If a Swap Obligation arises under a master agreement governing more than one swap, such exclusion shall apply only to the portion of such Swap Obligation that is attributable to swaps for which such guarantee is or becomes illegal or unlawful.

"Swap Obligation" means any obligation of the Borrower to pay or perform under any agreement, contract or transaction that constitutes a "swap" within the meaning of Section 1a(47) of the Commodity Exchange Act.

Section 3. Covenants, Agreements, Representations and Warranties. The Debtor hereby covenants and agrees with, and represents and warrants to, the Secured Party that:

(a) The covenants, representations and warranties (including definitions and schedules referred to therein) contained in the Loan Agreement are incorporated herein, mutatis mutandis, as if restated herein in their entirety, with such adaptations and modifications to the language of such covenants, representations and warranties which may be necessary or desirable to conform to the laws of the State of Illinois.

(b) The Debtor is a corporation duly organized and validly existing in good standing under the laws of the State of Delaware. The Debtor shall not change its jurisdiction of organization without either (i) the Secured Party's prior written consent, which consent shall not be unreasonably withheld or (ii) to the extent not prohibited by the Loan Agreement, providing 30 days' prior written notice thereof to Secured Party. As of the Closing Date, the Debtor's organizational registration number is 2602391 and Debtor agrees to give Secured Party 30 days' (or such lesser period to which Secured Party may consent) prior written notice of any change in such number.

(c) As of the Closing Date, the Debtor's chief executive office and principal place of business is at, and the Debtor keeps all of its books and records relating to Receivables only at, 1111 Davis Road, Elgin, IL 60123. The Debtor shall not change the location of its chief executive office and principal place of business or location of its books and records without the Secured Party's prior written consent (which shall not be unreasonably withheld).

(d) As of the date hereof, the Debtor's legal name and jurisdiction of organization is correctly set forth in the first paragraph of this Agreement. As of the date hereof, the Debtor has not transacted business at any time during the immediately preceding five-year period, and does not currently transact business, under any other legal names or trade names other than the prior legal names and trade names (if any) set forth on Schedule B attached hereto. The Debtor shall not change its legal name or transact business under any other trade name without first giving 30 days' prior written notice (or such shorter period as approved by the Secured Party) of its intent to do so to the Secured Party.

(e) The Collateral and every part thereof is and shall be free and clear of all security interests, liens (including, without limitation, mechanics', laborers' and statutory liens), attachments, levies, and encumbrances of every kind, nature and description, whether voluntary or involuntary, except for the lien and security interest of the Secured Party therein, Permitted Liens and as otherwise provided on Schedule C attached hereto. The Debtor shall use commercially reasonable efforts to defend the Collateral against any claims and demands of all persons at any time claiming the same or any interest in the Collateral not permitted by the terms of the Loan Agreement.

(f) The Debtor shall at all times insure the Collateral as required under the Loan Agreement.

UNLESS THE DEBTOR PROVIDES THE SECURED PARTY WITH EVIDENCE OF THE INSURANCE COVERAGE REQUIRED BY THIS SECURITY AGREEMENT, THE SECURED PARTY MAY PURCHASE INSURANCE AT THE DEBTOR'S EXPENSE TO PROTECT THE SECURED PARTY'S INTERESTS IN THE COLLATERAL. THIS INSURANCE MAY, BUT NEED NOT, PROTECT THE DEBTOR'S INTERESTS IN THE COLLATERAL. THE COVERAGE PURCHASED BY THE SECURED PARTY MAY NOT PAY ANY CLAIMS THAT THE DEBTOR MAKES OR ANY CLAIM THAT IS MADE AGAINST THE DEBTOR IN CONNECTION WITH THE COLLATERAL. THE DEBTOR MAY LATER CANCEL ANY SUCH INSURANCE PURCHASED BY THE SECURED PARTY, BUT ONLY AFTER PROVIDING THE SECURED PARTY WITH EVIDENCE THAT THE DEBTOR HAS OBTAINED INSURANCE AS REQUIRED BY THIS SECURITY AGREEMENT. IF THE SECURED PARTY PURCHASES INSURANCE FOR THE COLLATERAL, THE DEBTOR WILL BE RESPONSIBLE FOR THE COSTS OF THAT INSURANCE, INCLUDING INTEREST AND ANY OTHER CHARGES THAT THE SECURED PARTY MAY IMPOSE IN CONNECTION WITH THE PLACEMENT OF THE INSURANCE, UNTIL THE EFFECTIVE DATE OF THE CANCELLATION OR EXPIRATION OF THE INSURANCE. THE COSTS OF THE INSURANCE MAY BE ADDED TO THE OBLIGATIONS SECURED HEREBY. THE COSTS OF THE INSURANCE MAY BE MORE THAN THE COST OF INSURANCE THE DEBTOR MAY BE ABLE TO OBTAIN ON ITS OWN.

(g) The Debtor shall at all times allow the Secured Party and its representatives free access to and right of inspection of the Collateral in accordance with and subject to the terms of the Loan Agreement.

(h) Subject to the terms of the Loan Agreement, the Secured Party shall have the right to verify all or any part of the Collateral in any manner, and through any medium, which the Secured Party considers appropriate (including, without limitation, the verification of Collateral by use of a fictitious name), and the Debtor agrees to furnish all reasonable assistance and reasonable available information, and perform any reasonable acts, which the Secured Party may require in connection therewith.

(i) The Debtor shall comply with the terms and conditions of all material leases and agreements binding upon the Debtor, and all orders, ordinances, laws and statutes of any city, state or other governmental entity, department, or agency having jurisdiction with respect to the premises wherein such Collateral is located or the conduct of business thereon in each case except to the extent failure to comply would not reasonably be expected to result in a Material Adverse Effect.

(j) Schedule D attached hereto contains a true, complete, and current listing of all patents, trademarks, and copyrights (including all registrations and applications therefor) owned by the Debtor as of the date hereof that are registered with any governmental authority and constituting Collateral. The Debtor shall promptly notify the Secured Party in writing of any such additional intellectual property rights acquired or arising after the date hereof, and shall submit to the Secured Party a supplement to Schedule D to reflect such additional rights (provided the Debtor's failure to do so shall not impair the Secured Party's security interest therein). The Debtor owns or possesses rights to use all material franchises, licenses, patents, trademarks, trade names, tradestyles, copyrights, and rights with respect to the foregoing which are required to conduct its business except to the extent not required by the terms of the Loan Agreement. No event has occurred which permits, or after notice or lapse of time or both would permit, the revocation or termination of any such rights, and, to the best of Debtor's knowledge, the Debtor is not liable to any person for infringement under applicable law with respect to any such rights as a result of its business operations.

(k) Schedule G attached hereto contains a true, complete and current listing of all Commercial Tort Claims held by the Debtor as of the date hereof for which a claim in excess of \$500,000 has been made, each described by reference to the specific incident given rise to the claim. The Debtor agrees to execute and deliver to the Secured Party a supplement to this Agreement in the form attached hereto as Schedule H, or in such other form acceptable to the Secured Party, promptly upon becoming aware of any other Commercial Tort Claim held or maintained by the Debtor arising after the date hereof involving a claim that has been made in excess of \$500,000 (provided the Debtor's failure to do so shall not impair the Secured Party's security interest therein).

(l) Subject to the terms and conditions of the Loan Agreement and this Agreement, the Debtor agrees to execute and deliver to the Secured Party such further agreements, assignments, instruments, and documents and to do all such other things as the Secured Party

may deem necessary or appropriate to assure the Secured Party its lien and security interest hereunder, including, without limitation, (i) such financing statements, and amendments thereof or supplements thereto, and such other instruments and documents as the Secured Party may from time to time require in order to comply with the UCC and any other applicable law, (ii) such agreements with respect to patents, trademarks, copyrights, and similar intellectual property rights as the Secured Party may from time to time require to comply with the filing requirements of the United States Patent and Trademark Office and the United States Copyright Office, and (iii) such control agreements with respect to Deposit Accounts, Investment Property, Letter-of-Credit Rights, and electronic Chattel Paper, and to cause the relevant depository institutions, financial intermediaries, and issuers to execute and deliver such control agreements, as the Secured Party may from time to time reasonably require. The Debtor hereby agrees that a carbon, photographic or other reproduction of this Security Agreement or any such financing statement is sufficient for filing as a financing statement by the Secured Party without notice thereof to the Debtor wherever the Secured Party in its sole discretion desires to file the same. The Debtor hereby authorizes the Secured Party to file any and all financing statements covering the Collateral or any part thereof as the Secured Party may require, including financing statements describing the Collateral as "all assets of the Debtor, whether now owned or existing or hereafter created, acquired, or arising, and all proceeds and products of the foregoing" or "all personal property" or words of like meaning. The Secured Party may order lien searches from time to time against the Debtor and the Collateral, and the Debtor following written demand shall promptly reimburse the Secured Party for all reasonable out-of-pocket costs and expenses incurred in connection with such lien searches. In the event for any reason the law of any jurisdiction other than Illinois becomes or is applicable to the Collateral or any part thereof, or to any of the Obligations, the Debtor agrees to execute and deliver all such instruments and documents and to do all such other things as the Secured Party in its sole discretion deems necessary or appropriate to preserve, protect, and enforce the lien and security interest of the Secured Party under the law of such other jurisdiction. The Debtor agrees to mark its books and records to reflect the lien and security interest of the Secured Party in the Collateral promptly following request.

(m) Upon an Event of Default until such Event of Default is cured or waived, the Secured Party may, at its option, perform any of the covenants and agreements herein contained and in so doing may expend such sums as the Secured Party may deem advisable in the performance thereof, including, without limitation, the payment of any insurance premiums, the payment of any taxes, liens and encumbrances, expenditures made in defending against any adverse claims (other than Permitted Liens), and all other expenditures which the Secured Party may be compelled to make by operation of law or which the Secured Party may make by agreement or otherwise for the protection of the security hereof. All such sums and amounts so expended shall be repayable by the Debtor promptly following written demand, shall constitute additional Obligations secured hereunder and shall bear interest from the date said amounts are expended at the rate per annum equal to Secured Party's Base Rate plus 5% (such rate per annum as so determined being hereinafter referred to as the "Default Rate"). No such performance of any covenant or agreement by the Secured Party on behalf of the Debtor, and no such advancement or expenditure therefor, shall relieve the Debtor of any default under the terms of this Security Agreement or in any way obligate the Secured Party to take any further or future action with respect thereto. The Secured Party, in making any payment hereby authorized, may

do so according to any bill, statement or estimate procured from the appropriate public office or holder of the claim to be discharged without inquiry into the accuracy of such bill, statement or estimate or into the validity of any tax assessment, sale, forfeiture, tax lien or title or claim. The Secured Party is hereby authorized to charge any account of the Debtor maintained with the Secured Party for the amount of such sums and amounts so expended to the extent payable in accordance with this Agreement.

Section 4. Special Provisions Re: Receivables.

(a) Except to the extent set forth in the Borrowing Base Certificate, the Debtor warrants that each Receivable and all papers and documents relating thereto are genuine and in all respects what they purport to be; that each Receivable is valid and subsisting; that no such Receivable is evidenced by any Instrument or Chattel Paper unless such Instrument or Chattel Paper has theretofore been endorsed by the Debtor and delivered to the Secured Party (except to the extent the Secured Party specifically requests the Debtor not to do so with respect to any such Instrument or Chattel Paper, or prior to the occurrence of any Event of Default, is in the principal amount of \$500,000 or less); that no surety bond was required or given in connection with such Receivable or the contracts or purchase orders out of which the same arose; that the amount of the Receivable represented as owing is the correct amount actually and unconditionally owing, except for normal cash discounts on normal trade terms in the ordinary course of business; and that the amount of such Receivable represented as owing is not disputed and is not subject to any set-offs, credits, deductions or countercharges other than those arising in the ordinary course of the Debtor's business which are disclosed to the Secured Party in writing promptly upon the reasonable request to do so by the Secured Party. Without limiting the foregoing, if any Receivable arises out of a contract with the United States of America, or any state or political subdivision thereof, or any department, agency or instrumentality of any of the foregoing, the Debtor agrees to notify the Secured Party promptly and, execute whatever instruments and documents are required by the Secured Party in order that such Receivable shall be assigned to the Secured Party and that proper notice of such assignment shall be given under the federal Assignment of Claims Act (or any successor statute) or any similar state or local statute, as the case may be provided that unless an Event of Default has occurred and is continuing, Secured Party shall not make any such request for Receivables less than \$500,000 in aggregate amount.

(b) Any merchandise or other goods which are returned by a customer or account debtor or otherwise recovered may be resold by the Debtor in the ordinary course of its business as presently conducted in accordance with Section 6(b) hereof or as otherwise permitted by the Loan Agreement; and, during the existence of any Event of Default, such merchandise and other goods shall be set aside at the request of the Secured Party and held by the Debtor as trustee for the Secured Party and shall remain part of the Secured Party's Collateral. Subject to the last sentence of this Section 4(b), the Debtor may settle and adjust disputes and claims with its customers and account debtors, handle returns and recoveries and grant discounts, credits and allowances in the ordinary course of its business as presently conducted for amounts and on terms which the Debtor in good faith considers advisable; and, during the existence of any Event of Default, at the Secured Party's request, the Debtor shall notify the Secured Party promptly of all returns and recoveries and, on the Secured Party's request, deliver any such merchandise or other goods to the Secured Party. During the existence of any Event of Default, at the Secured

Party's request, the Debtor shall also notify the Secured Party promptly of all disputes and claims and settle or adjust them at no expense to the Secured Party, but no discount, credit or allowance other than on normal trade terms in the ordinary course of business as presently conducted shall be granted to any customer or account debtor and no returns of merchandise or other goods shall be accepted by the Debtor without the Secured Party's consent. The Secured Party may, at all times during the existence of any Event of Default, with two days prior notice to the Debtor, settle or adjust disputes and claims directly with customers or account debtors for amounts and upon terms which the Secured Party considers advisable.

(c) Unless delivered to the Secured Party or its agent, all tangible Chattel Paper and Instruments shall contain a legend acceptable to the Secured Party indicating that such Chattel Paper or Instrument is subject to the security interest of the Secured Party contemplated by this Security Agreement.

Section 5. Collection of Receivables.

(a) Except as otherwise provided in this Security Agreement or the Loan Agreement, the Debtor shall make collection of all Receivables and may use the same to carry on its business in accordance with sound business practice and otherwise subject to the terms hereof and thereof.

(b) Whether or not any Event of Default has occurred and whether or not the Secured Party has exercised any or all of its rights under other provisions of this Section 5, in the event the Secured Party requests the Debtor in writing to do so, all Instruments and Chattel Paper at any time constituting part of the Receivables or any other Collateral (including any postdated checks) shall, upon receipt by the Debtor, be promptly endorsed to and deposited with the Secured Party.

(c) During continuation of any Event of Default, whether or not the Secured Party has exercised any or all of its rights under other provisions of this Section 5, upon 2 days prior notice the Secured Party or its designee may notify the Debtor's customers and account debtors at any time that Receivables or any other Collateral have been assigned to the Secured Party or of the Secured Party's security interest therein, and either in its own name, or the Debtor's name, or both, demand, collect, receive, receipt for, sue for, compound and give acquittance for any or all amounts due or to become due on Receivables or any other Collateral, and in the Secured Party's discretion file any claim or take any other action or proceeding which the Secured Party may deem necessary or appropriate to protect or realize upon the security interest of the Secured Party in the Receivables or any other Collateral.

(d) Any proceeds of Receivables or other Collateral transmitted to or otherwise received by the Secured Party pursuant to any of the provisions of Sections 5(b) or 5(c) hereof may be handled and administered by the Secured Party in and through a remittance account at the Secured Party, and the Debtor acknowledges that the maintenance of such remittance account by the Secured Party is solely for the Secured Party's convenience and that the Debtor does not have any right, title or interest in such remittance account or any amounts at any time standing to the credit thereof. The Secured Party may, after the occurrence and during the continuation of any Event of Default, apply all or any part of any proceeds of Receivables or other Collateral received by it from any source to the payment of the Obligations (whether or not then due and payable),

such applications to be made in such amounts, in such manner and order and at such intervals in accordance with the Loan Agreement. The Secured Party need not apply or give credit for any item included in proceeds of Receivables or other Collateral until the Secured Party has received final payment therefor at its office in cash or final solvent credits, acceptable to the Secured Party as such. However, if the Secured Party does give credit for any item prior to receiving final payment therefor and the Secured Party fails to receive such final payment or an item is charged back to the Secured Party for any reason, the Secured Party may at its election in either instance charge the amount of such item back against the remittance account or any account of the Debtor maintained with the Secured Party, together with interest thereon at the Default Rate. Unless and until an Event of Default shall have occurred and be continuing, the Secured Party will release proceeds of Collateral which the Secured Party has not applied to the Obligations as provided above from the remittance account from time to time, but not less often than once per week. The Debtor hereby indemnifies the Secured Party from and against all liabilities, damages, losses, actions, claims, judgments, costs, expenses, charges and attorneys' fees suffered or incurred by the Secured Party because of the maintenance of the foregoing arrangements; *provided, however*, that the Debtor shall not be required to indemnify the Secured Party for any of the foregoing to the extent they arise solely from the gross negligence or willful misconduct of the Secured Party. The Secured Party shall have no liability or responsibility to the Debtor for accepting any check, draft or other order for payment of money bearing the legend "payment in full" or words of similar import or any other restrictive legend or endorsement whatsoever or be responsible for determining the correctness of any remittance.

Section 6. Special Provisions Re: Inventory and Equipment.

(a) Except as otherwise permitted by the Loan Agreement, the Debtor shall at its own cost and expense maintain, keep and preserve the Inventory in good and merchantable condition and keep and preserve the Equipment in satisfactory repair, working order and condition, ordinary wear and tear, casualty and condemnation excepted, and, without limiting the foregoing, make all necessary and proper repairs, replacements and additions to material Equipment so that the efficiency thereof shall be fully preserved and maintained.

(b) The Debtor may, until an Event of Default has occurred and is continuing and thereafter until otherwise notified by the Secured Party in writing, use, consume and sell the Inventory in the ordinary course of its business or as otherwise permitted by the Loan Agreement.

(c) As of the time any Inventory or Equipment becomes subject to the security interest provided for hereby and at all times thereafter, the Debtor shall be deemed to have warranted as to any and all of such Inventory and Equipment that all warranties of the Debtor set forth in this Security Agreement are true and correct in all material respects with respect to such Inventory and Equipment; that all of such Inventory and Equipment is located at a location permitted under the Loan Agreement; and that, in the case of Inventory, such Inventory is new and unused and in good and merchantable condition. The Debtor warrants and agrees that no Inventory is or will be consigned to any other person without the Secured Party's prior written consent.

(d) Upon the Secured Party's reasonable request, the Debtor shall at its own cost and expense cause the lien of the Secured Party in and to any portion of the Collateral subject to a certificate of title law to be duly noted on such certificate of title or to be otherwise filed in such manner as is prescribed by law in order to perfect such lien and shall cause all such certificates of title and evidences of lien to be deposited with the Secured Party provided that unless an Event of Default has occurred and is continuing, Secured Party shall not make any such request with respect to such Collateral with a value of less than \$500,000 in an aggregate amount.

(e) Except for Equipment from time to time located on the real estate described on Schedule E attached hereto and as otherwise disclosed to the Secured Party in writing, none of the material Equipment is or will be attached to real estate in such a manner that the same may become a fixture.

(f) If any of the Inventory is at any time evidenced by a document of title, such document shall be promptly delivered by the Debtor to the Secured Party except to the extent the Secured Party specifically requests the Debtor not to do so with respect to any such document provided that unless an Event of Default has occurred and is continuing, Secured Party shall not make any such request with respect to such Collateral with a value of less than \$750,000 in an aggregate amount.

Section 7. Special Provisions Re: Investment Property and Deposits.

(a) Unless and until an Event of Default has occurred and is continuing and thereafter until notified to the contrary by the Secured Party pursuant to Section 9(d) hereof:

(i) the Debtor shall be entitled to exercise all voting and/or consensual powers pertaining to the Investment Property or any part thereof, for all purposes not in violation of the Loan Documents; and

(ii) the Debtor shall be entitled to receive and retain all cash dividends paid upon or in respect of the Investment Property.

(b) All Investment Property (including all securities, certificated or uncertificated, securities accounts, and commodity accounts) of the Debtor on the date hereof is listed and identified on Schedule F attached hereto and made a part hereof. The Debtor shall promptly notify the Secured Party of any other Investment Property acquired or maintained by the Debtor after the date hereof, and shall submit to the Secured Party a supplement to Schedule F to reflect such additional rights (provided the Debtor's failure to do so shall not impair the Secured Party's security interest therein). Certificates for all certificated securities now or at any time constituting Investment Property shall be promptly following receipt delivered by the Debtor to the Secured Party duly endorsed in blank for transfer or accompanied by an appropriate assignment or assignments or an appropriate undated stock power or powers, in every case sufficient to transfer title thereto including, without limitation, all stock received in respect of a stock dividend or resulting from a split-up, revision or reclassification of the Investment Property or any part thereof or received in addition to, in substitution of or in exchange for the Investment Property or any part thereof as a result of a merger, consolidation or otherwise. With respect to any uncertificated securities or any Investment Property held by a securities intermediary,

commodity intermediary, or other financial intermediary of any kind, unless the Secured Party requests otherwise, promptly following request by the Secured Party, the Debtor shall execute and deliver, and shall cause any such issuer or intermediary to execute and deliver, an agreement among the Debtor, the Secured Party, and such issuer or intermediary in form and substance reasonably satisfactory to the Secured Party which provides, among other things, for the issuer's or intermediary's agreement that it shall comply with entitlement orders, and apply any value distributed on account of any such Investment Property, as directed by the Secured Party without further consent by the Debtor. The Secured Party may at any time, during the continuance of an Event of Default, cause to be transferred into its name or the name of its nominee or nominees all or any part of the Investment Property hereunder.

(c) The Debtor represents that on the date of this Security Agreement, none of the Investment Property consists of margin stock (as such term is defined in Regulation U of the Board of Governors of the Federal Reserve System) except to the extent the Debtor has delivered to the Secured Party a duly executed and completed Form U-1 with respect to such stock. If at any time the Investment Property or any part thereof consists of margin stock, the Debtor shall promptly so notify the Secured Party and deliver to the Secured Party a duly executed and completed Form U-1 and such other instruments and documents reasonably requested by the Secured Party in form and substance reasonably satisfactory to the Secured Party.

(d) Notwithstanding anything to the contrary contained herein, in the event any Investment Property is subject to the terms of a separate security agreement in favor of the Secured Party, the terms of such separate security agreement shall govern and control unless otherwise agreed to in writing by the Secured Party.

(e) All Deposit Accounts of the Debtor on the date hereof are listed and identified (by account number and depository institution) on Schedule F attached hereto and made a part hereof. The Debtor shall promptly notify the Secured Party of any other Deposit Account opened or maintained by the Debtor after the date hereof, and shall submit to the Secured Party a supplement to Schedule F to reflect such additional accounts (provided the Debtor's failure to do so shall not impair the Secured Party's security interest therein). With respect to any Deposit Account maintained by a depository institution other than the Secured Party, and as a condition to the establishment and maintenance of any such Deposit Account except as otherwise agreed to in writing by the Secured Party, the Debtor, the depository institution, and the Secured Party shall execute and deliver an account control agreement in form and substance reasonably satisfactory to the Secured Party which provides, among other things, for the depository institution's agreement that it will comply with instructions originated by the Secured Party directing the disposition of the funds in the Deposit Account without further consent by such Debtor.

Section 8. Power of Attorney. In addition to any other powers of attorney contained herein, the Debtor hereby appoints the Secured Party, its nominee, and any other person whom the Secured Party may designate, as the Debtor's attorney-in-fact, with full power and authority upon the occurrence and during the continuation of any Event of Default: to sign the Debtor's name on verifications of Receivables and other Collateral; to send requests for verification of Collateral to the Debtor's customers, account debtors and other obligors; to endorse the Debtor's name on any checks, notes, acceptances, money orders, drafts and any other forms of payment or

security that may come into the Secured Party's possession or, upon 2 days prior notice, on any assignments, stock powers, or other instruments of transfer relating to the Collateral or any part thereof; to sign the Debtor's name on any invoice or bill of lading relating to any Collateral, on claims to enforce collection of any Collateral, on notices to and drafts against customers and account debtors and other obligors, on schedules and assignments of Collateral, on notices of assignment and on public records; to notify the post office authorities to change the address for delivery of the Debtor's mail to an address designated by the Secured Party; to receive, open and dispose of all mail addressed to the Debtor; and to do all things necessary to carry out this Agreement. The Debtor hereby ratifies and approves all acts of any such attorney and agrees that neither the Secured Party nor any such attorney will be liable for any acts or omissions nor for any error of judgment or mistake of fact or law other than such person's gross negligence or willful misconduct. The Secured Party may file one or more financing statements disclosing its security interest in any or all of the Collateral without the Debtor's signature appearing thereon. The foregoing powers of attorney, being coupled with an interest, are irrevocable until the Obligations have been fully paid and satisfied and all agreements of the Secured Party to extend credit to or for the account of the Debtor have expired or otherwise have been terminated.

Section 9. Defaults and Remedies.

(a) The occurrence of any Event of Default under the Loan Agreement shall constitute an "*Event of Default*" hereunder.

(b) Upon the occurrence and during the continuation of any Event of Default, the Secured Party shall have, in addition to all other rights provided herein or by law, the rights and remedies of a secured party under the UCC (regardless of whether the UCC is the law of the jurisdiction where the rights or remedies are asserted and regardless of whether the UCC applies to the affected Collateral), and further the Secured Party may, without demand and without advertisement, notice, hearing or process of law, all of which the Debtor hereby waives, at any time or times, sell and deliver all or any part of the Collateral (and any other property of the Debtor attached thereto or found therein) held by or for it at public or private sale, for cash, upon credit or otherwise, at such prices and upon such terms as the Secured Party deems advisable, in its sole discretion. In addition to all other sums due the Secured Party hereunder, the Debtor shall pay the Secured Party all costs and expenses incurred by the Secured Party, including attorneys' fees and court costs, in obtaining, liquidating or enforcing payment of Collateral or the Obligations or in the prosecution or defense of any action or proceeding by or against the Secured Party or the Debtor concerning any matter arising out of or connected with this Security Agreement or the Collateral or the Obligations, including, without limitation, any of the foregoing arising in, arising under or related to a case under the United States Bankruptcy Code (or any successor statute). Any requirement of reasonable notice shall be met if such notice is personally served on or mailed, postage prepaid, to the Debtor in accordance with Section 12(b) hereof at least 10 days before the time of sale or other event giving rise to the requirement of such notice; *provided however*, no notification need be given to the Debtor if the Debtor has signed, after an Event of Default has occurred, a statement renouncing any right to notification of sale or other intended disposition. The Secured Party shall not be obligated to make any sale or other disposition of the Collateral regardless of notice having been given. The Secured Party may be the purchaser at any such sale. The Debtor hereby waives all of its rights of redemption

from any such sale. The Secured Party may postpone or cause the postponement of the sale of all or any portion of the Collateral by announcement at the time and place of such sale, and such sale may, without further notice, be made at the time and place to which the sale was postponed or the Secured Party may further postpone such sale by announcement made at such time and place. The Secured Party has no obligation to prepare the Collateral for sale. The Secured Party may sell or otherwise dispose of the Collateral without giving any warranties as to the Collateral or any part thereof, including disclaimers of any warranties of title or the like, and the Debtor acknowledges and agrees that the absence of such warranties shall not render the disposition commercially unreasonable.

(c) Without in any way limiting the foregoing, upon the occurrence and during the continuation of any Event of Default, the Secured Party shall have the right, in addition to all other rights provided herein or by law, to take physical possession of any and all of the Collateral and anything found therein, the right for that purpose to enter without legal process any premises where the Collateral may be found (provided such entry be done lawfully), and the right to maintain such possession on the Debtor's premises (the Debtor hereby agreeing to lease such premises without cost or expense to the Secured Party or its designee if the Secured Party so requests) or to remove the Collateral or any part thereof to such other places as the Secured Party may desire. Upon the occurrence and during the continuation of any Event of Default, the Secured Party shall have the right to exercise any and all rights with respect to all Deposit Accounts of the Debtor, including, without limitation, the right to direct the disposition of the funds in each Deposit Account and to collect, withdraw and receive all amounts due or to become due or payable under each such Deposit Account. The Secured Party hereby agrees not to provide any such notice unless and until an Event of Default exists. Upon the occurrence and during the continuation of any Event of Default, the Debtor shall, upon the Secured Party's demand, promptly assemble the Collateral and make it available to the Secured Party at a place designated by the Secured Party. If the Secured Party exercises its right to take possession of the Collateral, the Debtor shall also at its expense perform any and all other steps requested by the Secured Party to preserve and protect the security interest hereby granted in the Collateral, such as placing and maintaining signs indicating the security interest of the Secured Party, appointing overseers for the Collateral and maintaining Collateral records.

(d) Without in any way limiting the foregoing, upon the occurrence and during the continuation of any Event of Default, all rights of the Debtor to exercise the voting and/or consensual powers which it is entitled to exercise pursuant to Section 7(a)(i) hereof and/or to receive and retain the distributions which it is entitled to receive and retain pursuant to Section 7(a)(ii) hereof, shall, at the option of the Secured Party and only following two days prior written notice, cease and thereupon become vested in the Secured Party, which, in addition to all other rights provided herein or by law, shall then be entitled solely and exclusively to exercise all voting and other consensual powers pertaining to the Investment Property (including, without limitation, the right to deliver notice of control with respect to any Investment Property held in a securities account or commodity account and deliver all entitlement orders with respect thereto) and/or to receive and retain the distributions which the Debtor would otherwise have been authorized to retain pursuant to Section 7(a)(ii) hereof and shall then be entitled solely and exclusively to exercise any and all rights of conversion, exchange or subscription or any other rights, privileges or options pertaining to any Investment Property as if the Secured Party were

the absolute owner thereof. Without limiting the foregoing, during the continuation of an Event of Default, the Secured Party shall have the right to exchange, at its discretion, any and all of the Investment Property upon the merger, consolidation, reorganization, recapitalization or other readjustment of the respective issuer thereof or upon the exercise by or on behalf of any such issuer or the Secured Party of any right, privilege or option pertaining to any Investment Property and, in connection therewith, to deposit and deliver any and all of the Investment Property with any committee, depository, transfer agent, registrar or other designated agency upon such terms and conditions as the Secured Party may determine. In the event the Secured Party in good faith believes any of the Collateral constitutes restricted securities within the meaning of any applicable securities laws, any disposition thereof in compliance with such laws shall not render the disposition commercially unreasonable.

(e) Without in any way limiting the foregoing, the Debtor hereby grants to the Secured Party a royalty-free irrevocable license and right to use all of the Debtor's patents, patent applications, patent licenses, trademarks, trademark registrations, trademark licenses, trade names, trade styles, copyrights, copyright applications, copyright licenses, and similar intangibles in connection with any foreclosure or other realization by the Secured Party on all or any part of the Collateral. The license and right granted the Secured Party hereby shall be without any royalty or fee or charge whatsoever.

(f) The powers conferred upon the Secured Party hereunder are solely to protect its interest in the Collateral and shall not impose on it any duty to exercise such powers. The Secured Party shall be deemed to have exercised reasonable care in the custody and preservation of the Collateral in its possession or control if such Collateral is accorded treatment equivalent to that which the Secured Party accords its own property, consisting of similar type assets, it being understood, however, that the Secured Party shall have no responsibility for ascertaining or taking any action with respect to calls, conversions, exchanges, maturities, tenders or other matters relating to any such Collateral, whether or not the Secured Party has or is deemed to have knowledge of such matters. This Security Agreement constitutes a collateral assignment of rights only and not an assignment of any duties or obligations of the Debtor in any way related to the Collateral, and the Secured Party shall have no duty or obligation to discharge any such duty or obligation. The Secured Party shall have no responsibility for taking any necessary steps to preserve rights against any parties with respect to any Collateral or initiating any action to protect the Collateral against the possibility of a decline in market value. Neither the Secured Party nor any party acting as attorney for the Secured Party shall be liable 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.

(g) Failure by the Secured Party to exercise any right, remedy or option under this Security Agreement or any other agreement between the Debtor and the Secured Party or provided by law, or delay by the Secured Party in exercising the same, shall not operate as a waiver; and no waiver by the Secured Party shall be effective unless it is in writing and then only to the extent specifically stated. The rights and remedies of the Secured Party under this Security Agreement shall be cumulative and not exclusive of any other right or remedy which the Secured Party may have.

Section 10. Application of Proceeds. The proceeds and avails of the Collateral at any time received by the Secured Party after the occurrence and during the continuation of any Event of Default shall, when received by the Secured Party in cash or its equivalent, be applied by the Secured Party in accordance with the provisions of the Credit Agreement.

The Debtor shall remain liable to the Secured Party for any deficiency. Any surplus remaining after the full payment and satisfaction of the foregoing shall be returned to the Debtor or to whomsoever the Secured Party reasonably determines is lawfully entitled thereto.

Section 11. Continuing Agreement/Partial Releases. This Security Agreement shall be a continuing agreement in every respect and shall remain in full force and effect until all of the Obligations, both for principal and interest, have been fully paid and satisfied and all agreements of the Secured Party to extend credit to or for the account of the Borrower have expired or otherwise have been terminated. Upon payment in full of all Obligations and the termination of all commitments by the Secured Party to extend credit to or for the account of Borrower, this Agreement shall automatically terminate without further act or notice. Upon such termination of this Security Agreement, the Secured Party shall, upon the request and at the expense of the Debtor, forthwith provide reasonable evidence of such termination and the release of its security interest hereunder. To the extent that a sale of any of the Collateral is permitted under the Loan Agreement, the security interest in such Collateral shall automatically and without further act or notice be released and Secured Party shall, upon the request and at the expense of the Debtor, forthwith provide reasonable evidence of such release, including amendments to UCC financing statements reflecting such release.

Section 12. Miscellaneous.

(a) This Security Agreement cannot be changed or terminated orally. All amendments, modifications or supplements hereto must be executed by all the parties hereto. All rights, privileges, remedies and options given to the Secured Party hereunder shall inure to the benefit of its permitted successors and assigns, and all the terms, conditions, covenants, agreements, representations and warranties of and in this Security Agreement shall bind the Debtor and its legal representatives, successors and assigns, provided that the Debtor may not assign its rights or delegate its duties hereunder without the Secured Party's prior written consent (unless otherwise permitted by the Loan Agreement).

(b) Except as otherwise specified herein, all notices hereunder shall be given in accordance with the provisions of the Loan Agreement.

(c) The lien and security interest herein created and provided for stand as direct and primary security for the Obligations. No application of any sums received by the Secured Party in respect of the Collateral or any disposition thereof to the reduction of the Obligations or any part thereof shall in any manner entitle the Debtor to any right, title or interest in or to the Obligations or any collateral or security therefor, whether by subrogation or otherwise, unless and until all Obligations have been fully paid and satisfied and all agreements of the Secured Party to extend credit to or for the account of the Borrower have expired or otherwise have been terminated. The Debtor acknowledges that the lien and security interest hereby created and provided for are absolute and unconditional and shall not in any manner be affected or impaired

by any acts or omissions whatsoever of the Secured Party or any other holder of any of the Obligations, and without limiting the generality of the foregoing, the lien and security interest hereof shall not be impaired by any acceptance by the Secured Party or any other holder of any of the Obligations of any other security for or guarantors upon any of the Obligations or by any failure, neglect or omission on the part of the Secured Party or any other holder of any of the Obligations to realize upon or protect any of the Obligations or any collateral or security therefor. The lien and security interest hereof shall not in any manner be impaired or affected by (and the Secured Party, without notice to anyone, is hereby authorized to make from time to time) any sale, pledge, surrender, compromise, settlement, release, renewal, extension, indulgence, alteration, substitution, exchange, change in, modification or disposition of any of the Obligations, or of any collateral or security therefor, or of any guaranty thereof, or of any instrument or agreement setting forth the terms and conditions pertaining to any of the foregoing. The Secured Party may at its discretion at any time grant credit to the Borrower without notice to the Debtor in such amounts and on such terms as the Secured Party may elect (all of such to constitute additional Obligations) without in any manner impairing the lien and security interest created and provided for herein. In order to realize hereon and to exercise the rights granted the Secured Party hereunder and under applicable law, there shall be no obligation on the part of the Secured Party or any other holder of any of the Obligations at any time to first resort for payment to the Borrower or to any guaranty of the Obligations or any portion thereof or to resort to any other collateral, security, property, liens or any other rights or remedies whatsoever, and the Secured Party shall have the right to enforce this Agreement irrespective of whether or not other proceedings or steps seeking resort to or realization upon or from any of the foregoing are pending.

(d) In the event and to the extent that any provision hereof shall be deemed to be invalid or unenforceable by reason of the operation of any law or by reason of the interpretation placed thereon by any court, this Security Agreement shall to such extent be construed as not containing such provision, but only as to such locations where such law or interpretation is operative, and the invalidity or unenforceability 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.

(e) This Security Agreement shall be deemed to have been made in the State of Illinois and shall be governed by, and construed in accordance with, the laws of the State of Illinois. The headings in this Security Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning of any provision hereof.

(f) This Security Agreement may be executed in any number of counterparts and by different parties hereto on separate counterpart signature pages, each constituting an original, but all together one and the same instrument. Delivery of an executed counterpart of this Security Agreement by facsimile or electronic pdf format shall be effective as delivery of an original counterpart hereof. The Debtor acknowledges that this Security Agreement is and shall be effective upon its execution and delivery by the Debtor and the Secured Party.

(g) The Debtor hereby submits to the non-exclusive jurisdiction of the United States District Court for the Northern District of Illinois and of any Illinois state court sitting in the City

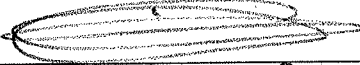
of Chicago for purposes of all legal proceedings arising out of or relating to this Agreement or the transactions contemplated hereby. The Debtor irrevocably waives, to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of the venue of any such proceeding brought in such a court and any claim that any such proceeding brought in such a court has been brought in an inconvenient form. THE DEBTOR AND THE SECURED PARTY EACH HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

(h) Notwithstanding anything herein or in the other Loan Documents or any other agreement, document, certificate or instrument to the contrary, Borrower shall not be deemed to guaranty any obligations or otherwise bind itself (whether by indemnification or otherwise) or otherwise be liable for any obligations of any Guarantor.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Debtor has caused this General Security Agreement to be duly executed and delivered in Chicago, Illinois, as of the date and year first above written.

W.J. DENNIS & COMPANY

By 
Name Andre Daigle
Title President and CEO

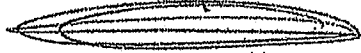
Accepted and agreed to in _____, as of the date and year first above written.

BANK OF MONTREAL


By _____
Name _____
Title _____

IN WITNESS WHEREOF, the parties hereto have caused this General Security Agreement to be duly executed and delivered as of the date and year first above written.

W.J. DENNIS & COMPANY

By 
Name ANDRÉ DAIGLE
Title PRESIDENT & CHAIRMAN OF THE BOARD

BANK OF MONTREAL

By 
Name Peter Clair
Title Directeur général
Managing Director

SCHEDULE A

[INTENTIONALLY OMITTED]

SCHEDULE B

OTHER NAMES

A. PRIOR LEGAL NAMES

None

B. TRADE NAMES

None

SCHEDULE C

PERMITTED ENCUMBRANCES

None

SCHEDULE D

INTELLECTUAL PROPERTY RIGHTS

Intellectual Property- Patents

Patents and patent applications owned by the Debtor.

COUNTRY	PATENT DOCUMENT NO.	TITLE	STATUS	NEXT ACTION	EXPIRATION DATE
USA	US 7,118,791	Device For Concealing Caulking Joint And Method	PATENTED	Maintenance fee to be paid before Oct. 10, 2014	Sept. 23, 2023

Intellectual Property- Trademarks

Current (Live) Trade-Mark Registrations and Applications

MARK	COUNTRY OF REGISTRATION / APPL'N N° / REG'N N°	STATUS	CLASSES	GOODS AND SERVICES	OWNER
CAULKSAVR	United States Application no.: 73/339,429 Registration no.: 1,219,971	Renewed (Registered) USPTO Status: Registered and renewed USPTO Status Date: 05-JUL-2003	17	INT. CL. 17 Foam Rope Used for Insulating, Cushioning, Filling Gaps, Sealing Foundation Bases and Weatherstripping First Used: 1981 In Commerce: 1981	W.J. Dennis & Co
RCR DENNIS	United States Application no.: 77/401,188 Registration no.: 3,504,893	Registered USPTO Status: Registered USPTO Status Date: 23-SEP-2008	17	INT. CL. 17 Weatherstripping for use in homes First Used: 2004 In Commerce: 2004	W.J. Dennis & Co.

Registered Intellectual Property- Domain Names

- Do-the-test.com
- Faites-le-test.com
- Rcr-energysaving.com
- Rcrint.biz
- Rcrint.ca
- Rcrint.com
- Rcrint.net
- Rcrint.org
- Rcrint.us
- wjdennis-rcr.com

SCHEDULE E

REAL ESTATE LEGAL DESCRIPTIONS

Parcel One

Lot 9 and that part of vacated Davis Road lying northerly of and adjoining said Lot 9 of Miller-Davis Research and Industrial Center, in the City of Elgin, Kane County Illinois.

Parcel Two

Lot 21 of First Addition to Miller-Davis Research and Industrial Center, in the City of Elgin, Kane County Illinois.

SCHEDULE F

INVESTMENT PROPERTY AND DEPOSITS

A. INVESTMENT PROPERTY

None

B. DEPOSITS

W.J. Dennis & Company has one bank account at BMO Harris Bank N.A. identified as account #3860509.

SCHEDULE H

SUPPLEMENT TO SECURITY AGREEMENT

THIS SUPPLEMENT TO SECURITY AGREEMENT (the "Supplement") is dated as of this _____ day of _____, _____, from W.J. DENNIS & COMPANY, a Delaware corporation (the "Debtor"), to BANK OF MONTREAL (the "Secured Party").

PRELIMINARY STATEMENTS

A. The Debtor and the Secured Party are parties to that certain Security Agreement dated as of June __, 2014 (such Security Agreement, as the same may from time to time be amended, modified or restated, being hereinafter referred to as the "Security Agreement"). All capitalized terms used herein without definition shall have the same meanings herein as such terms are defined in the Security Agreement.

B. Pursuant to the Security Agreement, the Debtor granted to the Secured Party, among other things, a continuing security interest in all Commercial Tort Claims.

C. The Debtor has acquired a Commercial Tort Claim, and executes and delivers this Supplement to confirm and assure the Secured Party's security interest therein.

NOW, THEREFORE, in consideration of the benefits accruing to the Debtor, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. In order to secure payment of the Obligations, whether now existing or hereafter arising, the Debtor does hereby grant to the Secured Party a continuing lien on and security interest in the Commercial Tort Claim described below:

2. Schedule G (Commercial Tort Claims) to the Security Agreement is hereby amended to include reference to the Commercial Tort Claim referred to in Section 1 above. The Commercial Tort Claim described herein is in addition to, and not in substitution or replacement for, the Commercial Tort Claims heretofore described in and subject to the Security Agreement, and nothing contained herein shall in any manner impair the priority of the liens and security interests heretofore granted by the Debtor in favor of the Secured Party under the Security Agreement.

3. The Debtor agrees to execute and deliver such further instruments and documents and do such further acts and things as the Secured Party may deem necessary or proper to carry out more effectively the purposes of this Supplement.

4. No reference to this Supplement need be made in the Security Agreement or in any other document or instrument making reference to the Security Agreement, any reference to the Security Agreement in any of such items to be deemed a reference to the Security Agreement as supplemented hereby. The Debtor acknowledges that this Supplement shall be effective upon its execution and delivery by the Debtor to the Secured Party, and it shall not be necessary for the Secured Party to execute this Supplement or any other acceptance hereof or otherwise to signify or express its acceptance hereof.

5. This Agreement shall be governed by and construed in accordance with the State of Illinois (without regard to principles of conflicts of law).

W.J. DENNIS & COMPANY

By _____
Name _____
Title _____