

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	Intellectual Property Security Agreement

CONVEYING PARTY DATA

Name	Formerly	Execution Date	Entity Type
Ward Adhesives Holdings, Inc.		07/13/2012	CORPORATION: DELAWARE
Ward Adhesives, Inc.		07/13/2012	CORPORATION: WISCONSIN
Applied Products, Inc.		07/13/2012	CORPORATION: MINNESOTA

RECEIVING PARTY DATA

Name:	Midwest Mezzanine Fund IV, I.P.
Street Address:	55 West Monroe Street, Suite 3650
Internal Address:	c/o Midwest Mazzanine Funds
City:	Chicago
State/Country:	ILLINOIS
Postal Code:	60603
Entity Type:	LIMITED PARTNERSHIP: DELAWARE

Name:	Pantheon Fund IV Mezzanine Investments LLC
Street Address:	55 West Monroe Street, Suite 3650
Internal Address:	c/o Midwest Mezzanine Funds
City:	Chicago
State/Country:	ILLINOIS
Postal Code:	60603
Entity Type:	LIMITED LIABILITY COMPANY: DELAWARE

PROPERTY NUMBERS Total: 2

Property Type	Number	Word Mark
Registration Number:	3618308	AP APPLIED PRODUCTS INDUSTRIAL SOLUTIONS3: ADHESIVES · ASSEMBLY TOOLS · AUTOMATION
Serial Number:	85412619	ASURE

CORRESPONDENCE DATA

Fax Number: 3126095005

Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent via US Mail.

Phone: 312-609-7897

Email: hmill@vedderprice.com

Correspondent Name: Holly Miller

Address Line 1: 222 North LaSalle Street - 24th Floor

Address Line 4: Chicago, ILLINOIS 60601

ATTORNEY DOCKET NUMBER:	42139.00.0001
NAME OF SUBMITTER:	Holly Miller
Signature:	/Holly Miller/
Date:	07/24/2012

Total Attachments: 11

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INTELLECTUAL PROPERTY SECURITY AGREEMENT

This **INTELLECTUAL PROPERTY SECURITY AGREEMENT** (this "**Agreement**") is made and entered into as of July 13, 2012, by and among **MIDWEST MEZZANINE FUND IV, L.P.**, a Delaware limited partnership ("**Midwest**"), **PANTHEON FUND IV MEZZANINE INVESTMENTS LLC**, a Delaware limited liability company, ("**Pantheon**"; together with Midwest, in such capacity, individually and collectively, "**Purchaser**"), **WARD ADHESIVES HOLDINGS, INC.**, a Delaware corporation ("**Ward Holdings**"), **WARD ADHESIVES, INC.**, a Wisconsin corporation ("**Ward Adhesives**") and **APPLIED PRODUCTS, INC.**, a Minnesota corporation ("**Applied Products**") (Ward Holdings, Ward Adhesives and Applied Products are each individually a "**Borrower**" and collectively the "**Borrowers**").

W I T N E S S E T H:

WHEREAS, contemporaneously herewith, Purchaser is providing certain extensions of credit, loans and other financial accommodations (the "**Financial Accommodations**") to Borrowers pursuant to that certain Amended and Restated Note Purchase Agreement of even date herewith by and among Purchaser and Borrowers (as amended or restated from time to time, the "**Note Purchase Agreement**") and the "**Other Agreements**" (as defined in the Note Purchase Agreement) (the Note Purchase Agreement, together with the Other Agreements are collectively the "**Note Documents**");

WHEREAS, pursuant to the Note Documents, Borrowers granted to Purchaser a second position priority security interest and lien in and to all of Borrowers' assets, including, without limitation, all patents, trademarks, trademark registrations, trade names, copyrights, all applications therefor and all other intellectual or proprietary rights or interests of any kind, nature or description whatsoever; and

WHEREAS, Purchaser is willing to provide the Financial Accommodations to Borrowers, provided, among other things, Borrowers execute and deliver this Agreement to Purchaser.

NOW, THEREFORE, in consideration of the Financial Accommodations, the mutual promises and understandings of Borrowers and Purchaser set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Borrowers covenant unto and agree with Purchaser as follows:

1. **Incorporation of Note Purchase Agreement.** The Note Documents and the terms and provisions thereof are hereby incorporated herein in their entirety by this reference thereto. All terms in this Agreement, including the Schedules, which have an initial capital letter where not required by the rules of grammar, and which are not otherwise defined herein, are used herein as defined in the Note Purchase Agreement.

2. **Collateral Assignment of Intellectual Property.** To secure the full and timely payment and performance of the Liabilities, each Borrower hereby grants and conveys to Purchaser a second position priority security interest and lien in and to all of such Borrower's

right, title and interest in and to all of its now owned or existing and hereafter acquired or arising (collectively the “**Intellectual Property Collateral**”):

A. (i) the trademarks, trademark registrations and applications listed on Schedule A, (ii) renewals thereof, (iii) all income, royalties, damages and payments now and hereafter due or payable under and with respect thereto, including, without limitation, damages and payments for past or future infringements thereof, (iv) the right to sue for past, present and future infringements thereof, and (v) all rights corresponding thereto throughout the world (collectively the “**Trademarks**”);

B. (i) the patents, patent registrations and the applications listed on Schedule B, including, without limitation, the inventions and improvements claimed in connection therewith, (ii) renewals, reissues, divisions, continuations, extensions and continuations-in-part thereof, (iii) all income, royalties, damages and payments now or hereafter due or payable under or with respect thereto, including, without limitation, damages and payments for past or future infringements thereof, (iv) the right to sue for past, present and future infringements thereof; and (v) all rights corresponding thereto throughout the world (collectively the “**Patents**”);

C. (i) the copyrights and applications for registration listed on Schedule C, (ii) renewals thereof, (iii) all income, royalties, damages and payments now and hereafter due or payable under or with respect thereto, including, without limitation, damages and payments for past or future infringements thereof, (iv) the right to sue for past, present and future infringements thereof, and (v) all rights corresponding thereto throughout the world (collectively the “**Copyrights**”);

D. license agreements for Trademarks, Patents and Copyrights listed on Schedule D (collectively the “**Licenses**”); and

E. the goodwill of such Borrower’s business connected with and symbolized by the Trademarks, Patents, Copyrights and Licenses.

This Agreement is made for collateral purposes only. Borrowers acknowledge and agree that upon the occurrence and continuance of an Event of Default, Purchaser shall have the power to use and/or sell the Intellectual Property Collateral in accordance with Section 7 of the Note Purchase Agreement.

3. **Restrictions on Future Agreements.**

A. Borrowers agree that until the Liabilities shall have been paid and satisfied in full and the Note Documents have been terminated, Borrowers will not, without Purchaser’s prior written consent, enter into any document, instrument or agreement which is inconsistent with Borrowers’ obligations under this Agreement. Borrowers further agree that they will not take any action, or permit any action to be taken by others subject to their control, including licensees, or fail to take any action, which would affect the validity or enforcement of the rights transferred to Purchaser under this Agreement.

B. Each Borrower hereby represents and warrants to Purchaser that such Borrower has not granted any license to any Person other than Purchaser and Senior Lender in connection with any of the Intellectual Property Collateral. Each Borrower hereby covenants unto Purchaser that until the Liabilities shall have been paid and satisfied in full and the Note Documents have been terminated, such Borrower shall not grant any license to any third party in connection with the Intellectual Property Collateral without Purchaser's prior written consent, which consent shall not be unreasonably withheld or delayed.

4. **New Trademarks, Patents, Copyrights and Licenses.** Each Borrower represents and warrants that the Trademarks, Patents, Copyrights and Licenses listed on Schedules A, B, C and D respectively constitute all of the registered trademarks, registered patents, registered copyrights, applications therefor and licenses thereof now owned by such Borrower. Borrowers hereby authorize Purchaser to modify this Agreement by amending Schedules A, B, C and D to include any future registered trademarks, registered patents, registered copyrights, applications therefor and licenses thereof.

5. **Royalties; Terms.** Each Borrower hereby agrees that the use by Purchaser of all Intellectual Property Collateral after an Event of Default as described above shall be without any liability for royalties or other related charges from Purchaser to Borrowers. The term of the assignments granted herein shall extend until the earlier of (i) the expiration of each of the respective Trademarks, Patents, Copyrights and Licenses assigned hereunder, or (ii) the payment to Purchaser of the Liabilities in full and the termination of the Note Documents.

6. **Purchaser's Right to Inspect.** If an Event of Default has occurred and is continuing, Borrowers agree that Purchaser shall have the right to establish such additional product quality controls as Purchaser, in its sole discretion, may deem necessary to assure maintenance of the quality of products sold by Borrowers under the Trademarks, Patents, Copyrights or Licenses. Each Borrower agrees (i) not to sell or assign its interest in, or grant any licenses under, the Trademarks, Patents, Copyrights or Licenses except as otherwise permitted by Section 5.3(H) of the Note Purchase Agreement, and (ii) to maintain the quality of any and all products produced in connection with the Intellectual Property Collateral consistent with commercially reasonable practices.

7. **Nature and Termination of Purchaser's Security Interest.** This Agreement is made for collateral purposes only. Except as otherwise provided in Sections 3, 6, 8 and 13 hereof, nothing contained herein shall be deemed to limit in any way Borrowers' right to use the Trademarks, Patents, Copyrights or Licenses or to grant to Purchaser any right to use the Trademarks, Patents, Copyrights or Licenses prior to an Event of Default.

8. **Duties of Borrowers.** Borrowers shall have the duty (i) except to the extent Borrower in the exercise of their business judgment elect otherwise, to prosecute diligently any trademark, patent and copyright registration pending as of the date hereof or at any time hereafter, until the Liabilities shall have been paid in full, (ii) to make applications for trademarks, patents and copyrights, as appropriate, and (iii) except to the extent Borrower in the exercise of their business judgment elect otherwise, to preserve and maintain all Intellectual Property Collateral. Any expenses incurred in connection with such applications shall be borne

by Borrowers. Borrowers shall not abandon any Intellectual Property Collateral, without the consent of Purchaser.

9. **Purchaser's Right to Sue.** If an Event of Default has occurred and is continuing, Purchaser shall have the right, but shall in no way be obligated, to bring suit in its own name or in the name of a Borrower to enforce the Trademarks, Patents, Copyrights and Licenses. If Purchaser shall commence any such suit, Borrowers shall, at the request of Purchaser, do any and all acts and execute any and all instruments, documents and agreements required by Purchaser to enforce such Intellectual Property Collateral, and Borrowers shall promptly, upon demand, reimburse and indemnify Purchaser for all costs and expenses incurred by Purchaser in the exercise of its rights and remedies under this Section 9.

10. **Waivers.** Purchaser's failure at any time or times hereafter to require strict performance by Borrowers of any provision of this Agreement shall not waive, affect or diminish any right of Purchaser thereafter to demand strict compliance and performance therewith. Any suspension or waiver by Purchaser of an Event of Default shall not suspend, waive or affect any other Event of Default, whether same is prior or subsequent thereto and whether of the same or a different type. None of the undertakings, agreements, warranties, covenants and representations of Borrowers contained in this Agreement and no Event of Default by Borrowers shall be deemed to have been suspended or waived by Purchaser unless such suspension or waiver is in writing signed by an officer of Purchaser and directed to Borrowers specifying such suspension or waiver.

11. **Severability.** The provisions of this Agreement are severable, and if any clause or provision shall be held invalid and unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part thereof, in such jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction, or any other clause or provision of this Agreement in any jurisdiction.

12. **Modification.** This Agreement cannot be altered, amended or modified in any way, except as specifically provided in Section 4 hereof or by a writing signed by the parties hereto.

13. **Cumulative Remedies; Power of Attorney; Effect on Note Purchase Agreement.** All of Purchaser's rights and remedies with respect to the Intellectual Property Collateral, whether established hereby, by the Note Documents, by any other agreements or by law shall be cumulative and may be exercised singularly or concurrently. Each Borrower hereby authorizes Purchaser to make, constitute and appoint any officer or agent of Purchaser as Purchaser may select, in its sole discretion, as such Borrower's true and lawful attorney-in-fact, with power, if an Event of Default has occurred and is continuing and commencement by Purchaser of any of its rights and remedies whatsoever, whether pursuant to this Agreement, the Note Documents, at law, in equity or otherwise, to (a) endorse such Borrower's name on all applications, documents, papers and instruments necessary or desirable for Purchaser in connection with selling the Intellectual Property Collateral, (b) to the extent consistent with Purchaser's rights as a secured creditor, and subject to Borrower's rights, under the Uniform Commercial Code, take any other actions with respect to the Intellectual Property Collateral as Purchaser decides in its sole and absolute discretion, (c) to the extent consistent with Purchaser's

rights as a secured creditor, and subject to Borrower's rights, under the Uniform Commercial Code, assign, pledge, sell, convey or otherwise transfer title in or dispose of the Intellectual Property Collateral to any person or entity as Purchaser may determine in its discretion, and (d) grant or issue any non-exclusive license under the Intellectual Property Collateral, to any person or entity. Each Borrower agrees to indemnify Purchaser for any infringement claims or other similar claims filed or asserted against Purchaser from the use of any of the Intellectual Property Collateral by Borrowers. Borrowers hereby ratify all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney shall be irrevocable until the Liabilities shall have been paid in full and all financing arrangements between Borrowers and Purchaser have been terminated. Borrowers acknowledge and agree that this Agreement is not intended to limit or restrict in any way the rights and remedies of Purchaser under the Note Documents, at law or in equity, but rather is in addition to and intended to facilitate the exercise of such rights and remedies.

14. **Binding Effect; Benefits.** This Agreement shall be binding upon Borrowers and their successors and assigns, and shall inure to the benefit of Purchaser, its nominees, successors and assigns.

15. **Notice.** Any and all notices, exercises, demands, requests, consents, designations, waivers and other communications required or desired hereunder shall be delivered to the parties hereto at their addresses set forth in the Note Purchase Agreement and shall be effective as set forth in the Note Purchase Agreement.

16. **Governing Law.** This Agreement shall be deemed to have been executed and delivered in Chicago, Illinois, and shall be governed by and construed in accordance with the internal laws (as opposed to conflicts of law provisions) of the State of Illinois.


17. **Joint and Several.** All references to "Borrowers" and "Borrower" shall mean Ward Holdings, Ward Adhesives and Applied Products, both individually and collectively, and jointly and severally, and all representations, warranties, duties, covenants, agreements and obligations of Borrowers shall be the individual and collective representations, warranties, duties, covenants, agreements and obligations of each of Ward Holdings, Ward Adhesives and Applied Products.

[signature page follows]


Signature Page to Intellectual Property Security Agreement

IN WITNESS WHEREOF, Borrowers' duly authorized officers, members or managers, as applicable, have executed this Agreement as of the date first set forth above.


WARD ADHESIVES HOLDINGS, INC.,
a Delaware corporation

By: 
Name: Peter Gotsch
Title: Chairman

WARD ADHESIVES, INC.,
a Wisconsin corporation

By: 
Name: Peter Gotsch
Title: Chairman

APPLIED PRODUCTS, INC.,
a Minnesota corporation

By: 
Name: Peter Gotsch
Title: Chairman

ACCEPTANCE

Each of the undersigned, Midwest Mezzanine Fund IV, L.P. and Pantheon Fund IV Mezzanine Investments LLC, accepts the foregoing Collateral Assignment of Intellectual Property.

**MIDWEST MEZZANINE FUND IV,
L.P., a Delaware limited partnership**

By: Midwest Mezzanine Management
IV, LLC
Its: General Partner

By: Michael Foster
Name: Michael Foster
Title: Senior Managing Director

**PANTHEON FUND IV MEZZANINE
INVESTMENTS LLC, a Delaware limited
liability company**

By: MMF Capital Management LLC
Its: Investment Manager

By: Michael Foster
Michael Foster
Managing Director

SCHEDULE A
TO
COLLATERAL ASSIGNMENT OF
INTELLECTUAL PROPERTY

Trademarks and Trademark Registrations

Registrations:

	<u>Trademark</u>	<u>Registration No.</u>	<u>Filing Date</u>
Ward Holdings	NONE		
Ward Adhesives	NONE		
Applied Products	AP APPLIED PRODUCTS INDUSTRIAL SOLUTIONS3: ADHESIVES – ASSEMBLY – TOOLS - AUTOMATION	3618308	3/6/2008

Applications:

	<u>Trademark</u>	<u>Serial No.</u>	<u>Filing Date</u>
Ward Holdings	NONE		
Ward Adhesives	ASURE	85412619	9/1/2011
Applied Products	NONE		

SCHEDULE B
TO
COLLATERAL ASSIGNMENT OF
INTELLECTUAL PROPERTY

Patents and Patent Registrations

Registrations:

	<u>Patent</u>	<u>Patent No.</u>	<u>Filing Date</u>
Ward Holdings	NONE		
Ward Adhesives	NONE		
Applied Products	NONE		

Applications:

	<u>Patent</u>	<u>Patent No.</u>	<u>Filing Date</u>
Ward Holdings	NONE		
Ward Adhesives	NONE		
Applied Products	NONE		

SCHEDULE C
TO
COLLATERAL ASSIGNMENT OF
INTELLECTUAL PROPERTY

Copyrights and Copyright Applications

Registrations:

	<u>Copyright</u>	<u>Date</u>	<u>Title</u>
Ward Holdings	NONE		
Ward Adhesives	NONE		
Applied Products	NONE		

Applications:

	<u>Copyright</u>	<u>Date</u>	<u>Title</u>
Ward Holdings	NONE		
Ward Adhesives	NONE		
Applied Products	NONE		

SCHEDULE D
TO
COLLATERAL ASSIGNMENT OF
INTELLECTUAL PROPERTY

License Agreements

Ward Holdings	NONE
Ward Adhesives	NONE
Applied Products	NONE