

03-12-2003

Form PTO-1594
(Rev. 10/02)
OMB No. 0651-0027 (exp. 6/30/2005)
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U.S. DEPARTMENT OF COMMERCE
U.S. Patent and Trademark Office

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

1. Name of conveying party(ies):
S.K. Wellman Corp.

3-10-03

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

Additional name(s) of conveying party(ies) attached? Yes No

3. Nature of conveyance:

- Assignment
- Security Agreement
- Other _____
- Merger
- Change of Name

Execution Date: 10/18/2002

2. Name and address of receiving party(ies)

Name: JP Morgan Chase Bank
Internal
Address: c/o JP Morgan Business Credit Corp.

Street Address: One Chase Square, CS-5

City: Rochester State: NY Zip: 14643

- Individual(s) citizenship
- Association
- General Partnership
- Limited Partnership
- Corporation-State
- Other New York Bank Corporation

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)
Additional name(s) & address(es) attached? Yes No

4. Application number(s) or registration number(s):

A. Trademark Application No.(s) _____

B. Trademark Registration No.(s) 642082, 635202,
411420, 306579, 1618791, 767578

Additional number(s) attached Yes No

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

Name: John V. Biernacki

Internal Address: Jones Day
North Point

Street Address: 901 Lakeside Avenue

City: Cleveland State: OH Zip: 44114

6. Total number of applications and registrations involved: 6

7. Total fee (37 CFR 3.41).....\$ 165.00

- Enclosed
- Authorized to be charged to deposit account

8. Deposit account number:

DO NOT USE THIS SPACE

9. Signature.

Kathie J. Kopyczk
Name of Person Signing

Kathie J. Kopyczk
Signature

March 5, 2003
Date

Total number of pages including cover sheet, attachments, and document: 6

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

03/11/2003 6TON11 00000047 642082

01 FC:8521 40.00 OP
02 FC:8522 125.00 OP

TRADEMARK
REEL: 002687 FRAME: 0976

TRADEMARK SECURITY AGREEMENT

This TRADEMARK SECURITY AGREEMENT (this "**Agreement**"), dated as of October 18, 2002, is entered into between S. K. Wellman Corp., a Delaware corporation, located at 200 Public Square, Suite 30-5000, Cleveland, Ohio, 44114 (the "**Assignor**"), and JP Morgan Chase Bank, a New York banking corporation, located at c/o JPMorgan Business Credit Corporation, One Chase Square, CS-5, Rochester, NY, 14643, as the Agent for the benefit of the Secured Parties (the "**Assignee**"). Capitalized terms not otherwise defined herein have the meanings set forth in the Security and Pledge Agreement.

WHEREAS, pursuant to the Security and Pledge Agreement, dated as of October 18, 2002, between Assignor, among other grantors, and Assignee (the "**Security and Pledge Agreement**"), Assignor is granting to Assignee a security interest and continuing lien on all of Assignor's right, title and interest in, to and under certain collateral, including the Trademarks (as defined below).

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Assignor and the Assignee hereby agree as follows:

1. Grant of Security Interest

A. Assignor hereby grants to the Assignee a security interest and continuing lien on all of Assignor's right, title and interest in, to and under the Trademarks, whether now owned or existing or hereafter acquired or arising and the proceeds, products, accessions, rents and products of or in respect of any Trademarks. For purposes of this Agreement, "Trademarks" shall mean all United States, state and foreign trademarks, service marks, certification marks, collective marks, trade names, corporate names, d/b/as, business names, fictitious business names, internet domain names, trade styles, logos, other source or business identifiers, designs and general intangibles of a like nature, rights of publicity and privacy pertaining to the names, likeness, signature and biographical data of natural persons, and, with respect to any and all of the foregoing: (i) all registrations and applications therefor including, but not limited to, the registrations and applications referred to in Schedule A hereto (as such schedule may be amended or supplemented from time to time) but excluding intent to use applications unless and until statements of use or amendments to allege use are filed with respect to such applications, (ii) the goodwill of the business symbolized thereby, (iii) all rights corresponding thereto throughout the world, (iv) all rights to sue for past, present and future infringement or dilution thereof or for any injury to goodwill, (v) all licenses, claims, damages, and proceeds of suit arising therefrom, and (vi) all payments and rights to payments arising out of the sale, lease, license assignment or other disposition thereof.

B. The security interest granted hereby is granted in conjunction with the security interest and continuing lien granted to the Assignee under the Security and Pledge Agreement, which is deemed incorporated by reference herein. The rights and remedies of the Assignee with respect to the security interest and continuing lien granted hereby are in addition to those rights

and remedies set forth in the Security and Pledge Agreement and the other loan documents, and those rights and remedies which are now or hereafter available to the Assignee as a matter of law or equity. The exercise by the Assignee of any one or more of the rights or remedies provided for in this Agreement, the Security and Pledge Agreement, the other loan documents, or now or hereafter existing at law or in equity, shall not preclude the simultaneous or later exercise by any person, including Assignee, of any or all other rights or remedies.

2. Modification of Agreement

Neither this Agreement, nor any provision hereof may be amended, modified, waived, or terminated, except in accordance with the "Amendments and Waivers" provisions of the Security and Pledge Agreement. Notwithstanding the foregoing, Assignor authorizes the Assignee, upon notice to Assignor, to modify this Agreement in the name of and on behalf of the Assignor without obtaining the Assignor's signature to such modification, to the extent that such modification constitutes an amendment of Schedule A hereto in order to add any right, title, or interest in any Trademarks owned or subsequently acquired by Assignor. Assignor additionally agrees to execute any additional agreement or amendment hereto, as may be required by the Assignee from time to time, to subject any such owned or subsequently-acquired right, title, or interest in any Trademarks to the security interest and continuing liens and perfection created or contemplated hereby, or by the Security and Pledge Agreement.

3. Termination of Agreement

Upon the payment in full of all Secured Obligations, the cancellation or termination of the commitments and any other contingent obligation included in the Secured Obligations and the termination of the Credit Agreement, the security interest and continuing lien granted hereby shall terminate hereunder and all rights to the Trademarks shall revert and be deemed reassigned to the Assignor. Upon any such termination, the Assignee shall, at the Assignor's request and expense, execute and deliver to the Assignor such documents as the Assignor shall reasonably request to evidence such termination, reversions and/or reassignment, without recourse, representation, or warranty of any kind.

4. Governing Law

PURSUANT TO SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW, THE WHOLE OF THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HERETO SHALL BE GOVERNED, CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO ANY CONFLICTS-OF-LAWS RULES WHICH WOULD REQUIRE THE APPLICATION OF THE LAWS OF ANY OTHER JURISDICTION.

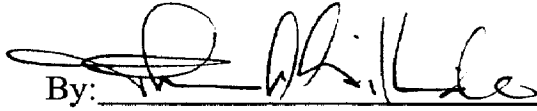
5. Counterparts

This Agreement may be executed in any number of counterparts, each of which, when so executed and delivered, shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument.

[Signatures Appear on Following Page]

IN WITNESS WHEREOF, Assignor and Assignee have caused this TRADEMARK SECURITY AGREEMENT to be duly executed and delivered by their respective officers duly authorized as of the date first above written.

S. K. WELLMAN CORP.,
as the Assignor

By:  _____

Thomas A. Gilbride
Vice President - Finance and
Treasurer

JPMORGAN CHASE BANK, as Agent,
as the Assignee

By:  _____

Dale A. Pensgen
Vice President

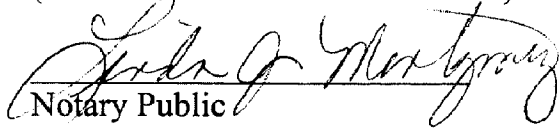
STATE OF OHIO)
)
COUNTY OF CUYAHOGA)

SS:

I, a notary public in and for the county and state aforesaid, do hereby certify that Thomas A. Gilbride, personally known to me (or proved to me on the basis of satisfactory evidence), to be the person who executed the within instrument as the Vice President - Finance and Treasurer, of S. K. Wellman Corp., a Delaware corporation, appeared before me in person and acknowledged that he signed the within instrument as his free and voluntary act and as the free and voluntary act of said corporation pursuant to its bylaws or a resolution of its board of directors.

IN WITNESS WHEREOF, I have hereunto set my hand as notarial seal this 18th day of October, 2002.

(NOTARIAL STAMP OR SEAL)


Notary Public

My Commission Expires:



LINDA J.
MONTGOMERY
NOTARY PUBLIC
STATE OF OHIO
My Comm. Exp. 9/10/06

**SCHEDULE A
TO TRADEMARK SECURITY AGREEMENT**

<u>Trademark</u>	<u>Status</u>	<u>Date</u>
<i>"FERAMIC"</i>	Filed	6/6/56
App. No. 72/009757	Issued	2/26/57
Reg. No. 0642082	Renewed	12/9/97
<i>"VELVETTOUCH FERAMIC"</i>	Filed	3/12/56
App. No. 72/004410	Issued	10/2/56
Reg. No. 0635202	Renewed	11/4/97
<i>"VELVETTOUCH"</i>	Filed	7/14/44
App. No. 71/472265	Issued	1/16/45
Reg. No. 0411420	Renewed	1/16/85
<i>"VELVETTOUCH"</i>	Filed	1/2/98
App. No. 71/322663	Issued	9/26/33
Reg. No. 0306579	Renewed	9/7/93
<i>"FIBERTUFF"</i>	Filed	9/28/89
App. No. 73/829193	Issued	10/23/90
Reg. No. 1618791		
<i>"VELVETTOUCH ORGANIK"</i>	Filed	6/17/63
App. No. 72/171208	Issued	3/31/64
Reg. No. 0767578	Renewed	3/31/84