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7-15-98

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HEET



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To the Honorable Commissioner of Pat.

100768427

Send original documents or copy thereof.

1. Name of conveying party(ies):

JPS Packaging Company
9201 Packaging Drive
Desoto, Kansas 66018

- Individual(s)
- General Partnership
- Corporation-State Delaware
- 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: 6/30/98

2. Name and address of receiving party(ies)

Name: Harris Trust and Savings Bank

Internal Address: _____

Street Address: 111 West Monroe Street

City: Chicago State: IL ZIP: 60603

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

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 patent number(s):

A. Trademark Application No.(s)

See Schedule A attached to Trademark and License Security Agreement

B. Trademark Registration No.(s)

See Schedule A attached to Trademark and License Security Agreement

Additional numbers attached? Yes No

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

Name: Federal Reserve Corp

Internal Address: _____

Street Address: 400 Seventh St NW

Suite 101

City: Washington State: DC ZIP: 20004

6. Total number of applications and registrations involved: _____

16

7. Total fee (37 CFR 3.41)..... \$415.00

- Enclosed
- Authorized to be charged to deposit account

8. Deposit account number: _____

(Attach duplicate copy of this page if paying by deposit account)

07/16/1998 JSHABAZZ 00000191 1834992

DO NOT USE THIS SPACE

01 FC-481

40.00 OP

02 FC-482

375.00 OP

Statement and signature.

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

Gregory T. Pealer

Name of Person Signing

Signature

7/16/98

Date

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

SCHEDULE A

U.S. TRADEMARK REGISTRATIONS

Reg. No./Ser. No.	Title	Issue Date/Filing Date
1,834,992	CHROMAFLEX	05/03/94
1,840,116	VIVIPRINT	06/14/94
1,843,919	LITHOPRINT	07/05/94
1,849,673	CHROMAFLEX PRO	09/09/94
1,237,310	DUCTGARD	05/10/83
1,352,795	VENTURE	08/06/85
1,677,369	STYROTECH	03/03/92
1,680,083	STYROTECH & DESIGN	03/24/92
959,145	J & DESIGN	05/22/73
1,668,017	J-LOC	12/10/91
1,794,909	APL	09/28/93
1,835,903	JOTTO	05/10/94
1,857,699	J & DESIGN	10/11/94
1,872,466	TGL	01/10/95
1,237,310	DUCTGARD	06/03/80

U.S. TRADEMARK APPLICATIONS

Reg. No./Ser. No.	Title	Issue Date/Filing Date
75/246,708	PINCH-N-SEAL	02/24/97

FOREIGN TRADEMARKS AND APPLICATIONS

Country	Mark	Reg. No./Appl. No.	Issue Date/ Filing Date
Argentina	STYROTECH	1582854	12/14/95
Australia	STYROTECH	651445	01/27/95
Australia	JOTTO	671718	09/06/95
Benelux	STYROTECH	565780	01/27/95
Bolivia	STYROTECH	2008	01/31/95
Brazil	STYROTECH	818543272	05/24/95
Canada	STYROTECH	452259	12/22/95
Chile	STYROTECH	459022	03/25/96
China	STYROTECH	84004256	
Columbia	STYROTECH	180834	10/20/95
Equador	STYROTECH	53988	01/31/95
France	STYROTECH	95555945	01/26/95
Hong Kong	STYROTECH	2780	02/07/95
Italy	STYROTECH	TO95C000845	03/13/95

214908.01

TRADEMARK
REEL: 1755 FRAME: 0103

Country	Mark	Reg. No./Appl. No.	Issue Date/ Filing Date
Japan	STYROTECH	3327212	06/27/97
Korea	STYROTECH	340010	05/23/96
Mexico	VENTURE	505401	09/08/95
Mexico	JOTTO	519916	09/08/95
Mexico	STYROTECH	534307	10/10/96
New Zealand	JOTTO	253208	09/05/95
New Zealand	STYROTECH	245169	01/30/95
Peru	STYROTECH	17795	07/26/95
Singapore	JOTTO	10096/95	10/20/95
Taiwan	STYROTECH	710311	03/16/96
United Kingdom	STYROTECH	2009163	01/28/95
Uruguay	STYROTECH	275484	01/07/97
Venezuela	STYROTECH	600695	05/04/95

SCHEDULE B

LICENSES

[NONE]

TRADEMARK AND LICENSE SECURITY AGREEMENT

TRADEMARK AND LICENSE SECURITY AGREEMENT (the "Agreement") made this 30th day of June, 1998, between JPS Packaging Company, a Delaware corporation, having its chief executive office and mailing address at 9201 Packaging Drive, Desoto, Kansas 66018 (the "Borrower"), and Harris Trust and Savings Bank, an Illinois banking corporation, with its mailing address at 111 West Monroe Street, Chicago, Illinois 60603 (the "Lender").

WITNESSETH:

WHEREAS, Lender and Borrower have entered into that certain Credit Agreement of even date herewith (as the same may hereafter be amended, modified, or restated from time to time, the "Loan Agreement"), pursuant to which Lender has, subject to certain conditions precedent, agreed to make loans, advances and other financial accommodations (collectively, the "Loans") to Borrower; and

WHEREAS, Lender has required as a condition, among other things, to the making of Loans to Borrower, in order to secure the prompt and complete payment, observance and performance of all of Borrower's obligations and liabilities hereunder, under the Loan Agreement, and under all of the other instruments, documents and agreements executed and delivered by Borrower to Lender in connection with the Loan Agreement (all such obligations and liabilities being hereinafter referred to collectively as the "Obligations"), that Borrower execute and deliver this Agreement to Lender for the benefit of Lender;

NOW, THEREFORE, for and in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Borrower agrees as follows:

1. *Defined Terms.*

(i) Unless otherwise defined herein, the capitalized terms used herein which are defined in the Loan Agreement shall have the meanings specified in the Loan Agreement.

(ii) The words "hereof," "herein" and "hereunder" and words of like import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and section and schedule references are to this Agreement unless otherwise specified.

(iii) All terms defined in this Agreement in the singular shall have comparable meanings when used in the plural, and *vice versa*, unless otherwise specified.

2. *Security Interest in Trademarks.* To secure the complete and timely payment, performance and satisfaction of all of the Obligations, Borrower hereby grants to Lender a security interest in, having priority over all other security interests, with power of sale to

the extent permitted by applicable law, all of Borrower's now owned or existing and filed and hereafter acquired or arising and filed:

(i) trademarks, registered trademarks and trademark applications, trade names, trade styles, service marks, registered service marks and service mark applications including, without limitation, the registered trademarks, trademark applications, registered service marks and service mark applications listed on Schedule A attached hereto and made a part hereof, and (a) all renewals thereof, (b) all accounts receivable, income, royalties, damages and payments now and hereafter due and/or payable with respect thereto, including, without limitation, payments under all licenses entered into in connection therewith and damages and payments for past or future infringements or dilutions thereof, (c) the right to sue for past, present and future infringements and dilutions thereof, and (d) all of Borrower's rights corresponding thereto throughout the world (all of the foregoing registered trademarks, trademark applications, trade names, trade styles, registered service marks and service mark applications, together with the items described in clauses (a)-(d) in this paragraph 2(i), being sometimes hereinafter individually and/or collectively referred to as the "*Trademarks*");

(ii) the goodwill of Borrower's business connected with and symbolized by the Trademarks; and

(iii) license agreements with any other party now or hereafter entered into in connection with any Trademarks or such other party's trademarks, registered trademarks and trademark applications, trade names, trade styles, service marks, registered service marks and service mark applications, whether Borrower is a licensor or licensee under any such license agreement, including, but not limited to, the license agreements listed on Schedule B attached hereto and made a part hereof, and the right upon the occurrence and during the continuance of an Event of Default to use the foregoing in connection with the enforcement of Lender's rights under the Loan Agreement or any other agreement executed in connection therewith (all of the foregoing being hereinafter referred to collectively as the "*Licenses*"). Notwithstanding the foregoing provisions of this Section 2, the Licenses shall not include any license agreement under which Borrower is licensee which by its terms prohibits the grant of the security interest contemplated by this Agreement.

3. *Restrictions on Future Agreements.* Borrower will not, without Lender's prior written consent, enter into any agreement, including, without limitation, any license agreement, which is inconsistent with this Agreement, and Borrower further agrees that it will not take any action, and will use reasonable efforts not to permit any action to be taken by others subject to its control, including licenses, or fail to take any action, which would in any material respect affect the validity or enforcement of the rights transferred to Lender under this Agreement or the rights associated with those Trademarks and Licenses which are necessary or desirable in the operation of Borrower's business.

4. *New Trademarks and Licenses.* Borrower represents and warrants that the Trademarks and Licenses listed on Schedules A and B, respectively, include all of the trademarks, trademark registrations, trademark applications, trade names, trade styles, services marks, service mark registrations, service mark applications and license agreements in connection with trademarks, registered trademarks, trademark applications, trade names, trade styles, service marks, registered service marks and service mark applications now owned or held by Borrower. If, prior to the termination of this Agreement, Borrower shall (i) create or obtain rights to any new trademarks, trademark registrations, trademark applications, trade names, trade styles, service marks, service mark registrations, service mark applications or license agreements in connection with trademarks, registered trademarks, trademark applications, trade names, trade styles, service marks, registered service marks or service mark applications or (ii) become entitled to the benefit of any trademark, trademark registration, trademark application, trade name, trade styles, service mark, service mark registration or service mark application, the provisions of Section 2 above shall automatically apply thereto and Borrower shall give to Lender prompt written notice thereof. Borrower hereby authorizes Lender to modify this Agreement by (a) amending Schedules A or B, as the case may be, to include any future trademarks, trademark registrations, trademark applications, trade names, trade styles, service marks, service mark applications, and license agreements in connection with trademarks, registered trademarks, trademark applications, trade styles, service marks, service mark registrations, service mark applications and trade names that are Trademarks or Licenses under Section 2 above, or under this Section 4 (whether or not any such notice from Borrower has been sent or received), and (b) filing, in addition to and not in substitution for, this Agreement, a supplement or addendum to this Agreement containing on Schedules A or B thereto, as the case may be, such trademarks, trademark applications, trade names, trade styles, service marks, service mark applications and license agreements in connection with trademarks, registered trademarks, trademark applications, trade styles, service marks, registered service marks, service mark applications and trade names which are Trademarks or Licenses under Section 2 above or this Section 4 and to take any action Lender otherwise deems appropriate to perfect or maintain the rights and interests of the Lender under this Agreement with respect to such Trademarks and Licenses.

5. *Royalties.* Borrower hereby agrees that the use by Lender of the Trademarks and Licenses as authorized hereunder shall be co-extensive with Borrower's rights thereunder and with respect thereto and without any liability for royalties or other related charges from Lender to Borrower or anyone.

6. *Nature and Continuation of Lender's Security Interest.* This Agreement is made for collateral security purposes only and no assignment or contingent assignment is effected hereby. This Agreement shall create a continuing security interest in the Trademarks and Licenses and shall remain in full force and effect until the Obligations have been paid in full and the Loan Agreement terminated

7. *Right to Inspect; Further Assignments and Security Interests.* Lender shall have the right, at any reasonable time and from time to time, to inspect Borrower's premises and to examine Borrower's books, records, and operations relating to the Trademarks,

including, without limitation, Borrower's quality control processes; *provided*, that in conducting such inspections and examinations, Lender shall use reasonable efforts not to disturb unnecessarily the conduct of Borrower's ordinary business operations. From and after the occurrence of an Event of Default, and subject to the terms of the Loan Agreement, Borrower agrees that Lender, or a conservator appointed by Lender, shall have the right to take any action to renew or to apply for registration of any Trademarks as Lender or said conservator, in its sole judgment, may deem necessary or desirable in connection with the enforcement of Lender's rights hereunder. Borrower agrees (i) not to sell or assign its respective interests in, or grant any license under, the Trademarks without the prior written consent of Lender and (ii) to maintain the quality of any and all products in connection with which the Trademarks are used, consistent with the quality of said products as of the date hereof.

8. *Duties of Borrower.* Borrower shall have the duty, to the extent necessary or desirable in the normal conduct of Borrower's business, (i) to prosecute diligently any trademark application or service mark application that is part of the Trademarks pending as of the date hereof or thereafter until the termination of this Agreement, (ii) to make application for trademarks and service marks as Borrower deems appropriate, and (iii) to preserve and maintain all of Borrower's rights in the trademark applications, service mark applications and trademark and service mark registrations that are part of the Trademarks and Licenses. Any expenses incurred in connection with the foregoing shall be borne by Borrower. Borrower shall not abandon any trademark or service mark which is the subject of a registered trademark, service mark or application therefor and which is or shall be necessary or economically desirable in the operation of the Borrower's business. Borrower agrees to retain an experienced trademark attorney reasonably acceptable to Lender for the filing and prosecution of all such applications and other proceedings. Lender shall not have any duty with respect to the Trademarks and Licenses. Without limiting the generality of the foregoing, Lender shall not be under any obligation to take any steps necessary to preserve rights in the Trademarks and Licenses against any other parties, but may do so at its option during the continuance of an Event of Default, and all reasonable expenses incurred in connection therewith shall be for the sole account of Borrower and added to the Obligations secured hereby.

9. *Lender's Right to Sue.* From and after the occurrence and during the continuance of an Event of Default and the provision of written notice to Borrower of Lender's intention to enforce its rights and claims against any of the Trademarks or Licenses, Lender shall have the right, but shall not be obligated, to bring suit or take any other action to enforce the Trademarks and the Licenses and, if Lender shall commence any such suit or take any such action, Borrower shall, at the request of Lender, do any and all lawful acts and execute any and all proper documents required by Lender in aid of such enforcement. Borrower shall, upon demand, promptly reimburse and indemnify Lender for all reasonable costs and expenses incurred by Lender in the exercise of its rights under this Section 9 (including, without limitation, all reasonable attorneys' and paralegals' fees). If, for any reason whatsoever, Lender is not reimbursed with respect to the costs and expenses referred to in the preceding sentence, such costs and expenses shall be added to the Obligations secured hereby.

10. *Waivers.* No course of dealing between Borrower and Lender, and no failure to exercise or delay in exercising on the part of Lender any right, power or privilege hereunder or under the Loan Agreement or any other agreement executed in connection therewith shall operate as a waiver of any of Lender's rights, powers or privileges. No single or partial exercise of any right, power or privilege hereunder or under the Loan Agreement or any other agreement executed in connection therewith shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

11. *Lender's Exercise of Rights and Remedies Upon Default.* Notwithstanding anything set forth herein to the contrary, it is hereby expressly agreed that upon the occurrence and during the continuance of an Event of Default, Lender may exercise any of the rights and remedies provided in this Agreement, the Loan Agreement, or any other agreement executed in connection therewith. Without limiting the generality of the foregoing, Borrower acknowledges and agrees that (i) the Trademarks and Licenses comprise a portion of the Collateral and Lender shall have the right to exercise its rights under the Loan Agreement with respect to the Trademarks and Licenses to the same extent as with respect to all other items of Collateral described therein, and (ii) from and after the occurrence and during the continuance of an Event of Default, Lender or its nominee may use the Trademarks and Licenses to complete the manufacture of, assemble, package, distribute, prepare for sale and sell any and all inventory, or otherwise use or transfer such Collateral in connection with the conduct of Borrower's business.

12. *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.

13. *Modification.* This Agreement cannot be altered, amended or modified in any way, except as specifically provided in Section 2 and Section 4 hereof or by a writing signed by the parties hereto.

14. *Cumulative Remedies; Power of Attorney.* All of Lender's rights and remedies with respect to the Trademarks and the Licenses, whether established hereby, by any other agreements or by law, shall be cumulative and may be exercised singularly or concurrently. Borrower hereby irrevocably appoints Lender as Borrower's attorney-in-fact, with full authority in the place and stead of Borrower and in the name of Borrower or otherwise to carry out the acts described below. Subject to the terms of the Loan Agreement, Borrower hereby authorizes Lender to, in its sole discretion, upon the occurrence and during the continuance of an Event of Default, and with written notice to Borrower delivered prior to such action or within 5 (5) business days thereafter (i) endorse Borrower's name on all applications, documents, papers and instruments necessary or desirable for Lender in the use or transfer of the Trademarks and the Licenses, (ii) take any other actions with respect to the Trademarks and the Licenses as Lender deems is in its best interest, (iii) grant or issue any exclusive or non-exclusive license under the Trademarks to anyone on commercially

reasonable terms, and (iv) assign, pledge, convey or otherwise transfer title in or dispose of the Trademarks to anyone on commercially reasonable terms. Lender shall take no action pursuant to subsection (i), (ii), (iii) or (iv) of this Section 14 without taking like action with respect to the entire goodwill of Borrower's business connected with the use of, and symbolized by, such Trademarks. Borrower hereby ratifies all that such attorney-in-fact shall lawfully do or cause to be done by virtue hereof. This power of attorney is coupled with an interest and shall be irrevocable until this Agreement shall have been terminated pursuant to Section 6. Borrower acknowledges and agrees that this Agreement is not intended to limit or restrict in any way the rights and remedies of Lender under the Loan Agreement or any other agreement executed in connection therewith, but rather is intended to facilitate the exercise of such rights and remedies. Lender shall have, in addition to all other rights and remedies given it by the terms of this Agreement, all rights and remedies allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in any jurisdiction in which the Trademarks may be located or deemed located.

15. *Binding Effect; Benefits.* This Agreement shall be binding upon Borrower and its successors and assigns, and shall inure to the benefit of Lender and its nominees, successors and assigns. Borrower's successors and assigns shall include, without limitation, a receiver, trustee or debtor-in-possession of or for Borrower; *provided, however* that Borrower shall not voluntarily assign its obligations hereunder without the prior written consent of Lender.

16. *Governing Law.* This Agreement shall be governed by and construed in accordance with the internal laws (as distinguished from the conflicts of law provisions) and decisions of the State of Illinois.

17. *Notices.* All notices or other communications hereunder shall be given in the manner and to the addresses set forth in the Loan Agreement.

18. *Section Headings.* The section headings herein are for convenience of reference only, and shall not affect in any way the interpretation of any of the provisions hereof.

19. *Execution in Counterparts.* This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement on the day and year first above written.

JPS PACKAGING COMPANY

By *John T. Cooper*
Name: John T. Cooper
Title: President

ATTEST:

By *Thomas W. Van Dyke*
Name: Thomas W. Van Dyke
Title: Secretary

Accepted and agreed to in Chicago, Illinois as of this 30th day of June, 1998

HARRIS TRUST AND SAVINGS BANK

By *William J. Kane*
Name: William J. Kane
Title: Vice President

STATE OF Kansas,
COUNTY OF Johnson) SS

The foregoing Trademark and License Security Agreement was executed and acknowledged before me this 30th day of June, 1998, by John T. Corpef and Dixons W. Van Dyke, personally known to me to be the President and the _____ Secretary, respectively, of JPS Packaging Company, a Delaware corporation, on behalf of such corporation.

Janne Wood

Notary Public

My commission expires: _____

Janne L. Wood, Notary Public
State of Kansas
Commission Expires 11-19-99

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

The foregoing Trademark and License Security Agreement was executed and acknowledged before me this 30th day of August, 1998, by [Signature], personally known to me to be the [Signature], of Harris Trust and Savings Bank, an Illinois banking corporation, on behalf of such corporation.

[Signature]

Notary Public

My commission expires:

