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U.S. Patent & TMO/c/TM Mail Rcpt Dt. #26

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RECORDATION FORM COVER SHEET TRADEMARKS ONLY



101269990

TO: The Commissioner of Patents and Trademarks: Please record the attached original

Submission Type

- New
- Resubmission (Non-Recordation)
Document ID #
- Correction of PTO Error
Reel # Frame #
- Corrective Document
Reel # Frame #

Conveyance Type

- Assignment License
- Security Agreement Nunc Pro Tunc Assignment
- Merger Change of Name
- Other

Effective Date
Month Day Year

Conveying Party

Mark if additional names of conveying parties attached

Execution Date
Month Day Year

Name

Formerly

- Individual General Partnership Limited Partnership Corporation Association
- Other

Citizenship/State of Incorporation/Organization

Receiving Party

Mark if additional names of receiving parties attached

Name

DBA/AKA/TA

Composed of

Address (line 1)

Address (line 2)

Address (line 3)

- Individual General Partnership Limited Partnership Corporation Association
- Other

If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative should be attached. (Designation must be a separate document from Assignment.)

Citizenship/State of Incorporation/Organization

FOR OFFICE USE ONLY

02/16/2000 DNGUYEN 00000267 75561751

01 FC:481 40.00 DP
02 FC:482 250.00 DP

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TRADEMARK
REEL: 002023 FRAME: 0073

Domestic Representative Name and Address

Enter for the first Receiving Party only.

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Correspondent Name and Address

Area Code and Telephone Number

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Pages

Enter the total number of pages of the attached conveyance document including any attachments.

#

Trademark Application Number(s) or Registration Number(s)

Mark if additional numbers attached

Enter either the Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for the same property).

Trademark Application Number(s)

Registration Number(s)

Number of Properties

Enter the total number of properties involved.

#

Fee Amount

Fee Amount for Properties Listed (37 CFR 3.41):

\$

Method of Payment:

Enclosed

Deposit Account

Deposit Account

(Enter for payment by deposit account or if additional fees can be charged to the account.)

Deposit Account Number:

#

Authorization to charge additional fees:

Yes

No

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. Charges to deposit account are authorized, as indicated herein.

CAROLYN DECROSTA

01/11/2000

Name of Person Signing

Signature

Date Signed

**GRANT OF SECURITY INTEREST IN
PATENTS, TRADEMARKS AND LICENSES**

THIS GRANT OF SECURITY INTEREST IN PATENTS, TRADEMARKS AND LICENSES (herein the "Agreement") made as of this 6th day of January, 2000, by DIDDE CORPORATION, a Kansas corporation, with its principal place of business at 1200 Graphic Arts Road, Emporia, Kansas 66801-1088 (herein the "Guarantor"), and The CIT Group/Business Credit, Inc., a New York corporation, with offices at 1211 Avenue of the Americas, New York, New York 10036 (herein "CITBC").

W I T N E S E T H:

WHEREAS, Didde Web Press Corporation (the "Company"), Chromas Technologies Canada, Inc., The CIT Group/Equipment Financing Canada, Ltd. (herein "CITEF") and CITBC are parties to a certain Financing Agreement of even date herewith, as the same may be amended from time to time (herein the "Financing Agreement"), which Financing Agreement provides (i) for CITBC to make certain loans, advances and extensions of credit, all to or for the account of the Company and guaranteed by the Guarantor pursuant to the terms of that certain Guaranty dated of even date herewith, and (ii) for the grant by the Guarantor to CITBC of a security interest in certain of the Guarantor's assets, including, without limitation, its patents, patent applications and/or registrations, trademarks, trademark applications and/or registrations, tradenames, goodwill and licenses, all as more fully set forth therein;

NOW THEREFORE, in consideration of the premises set forth herein and for other good and valuable consideration, receipt and sufficiency of which is hereby acknowledged, the Company agrees as follows:

1. Definitions. Capitalized terms used herein and defined in the Financing Agreement shall have the meanings set forth therein unless otherwise specifically defined herein.
2. Grant of Security Interest. To secure the payment of the "Obligations" (as defined in the Financing Agreement), the Guarantor hereby grants to CITBC a security interest, effective immediately, in all of the Guarantor's right, title and interest in and to all of the following described property, whether now owned or hereafter acquired (collectively herein the "Intellectual Property Collateral"):

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| REEL: 002023 FRAME: 0075

- (i) Patents and patent applications and/or registrations together with the inventions and improvements described and claimed therein including, without limitation, the patents and applications, if any, listed on Schedule A, attached hereto and made a part hereof, and any and all reissues and renewals thereof and all income, royalties, damages and payments now and hereafter due and/or payable in connection therewith including, without limitation, damages and payments for past or future infringements thereof (all of the foregoing are sometimes hereinafter individually and/or collectively referred to as the "Patent Collateral");
- (ii) Trademarks, trademark registrations and/or applications and tradenames including, without limitation, the trademarks and applications, if any, listed on Schedule B attached hereto and made a part hereof, and any and all reissues and/or renewals thereof, and all income, royalties, damages and payments now and hereafter due and/or payable in connection therewith including, without limitation, damages and payments for past or future infringements thereof (all of the foregoing are sometimes hereinafter individually and/or collectively referred to as the "Trademark Collateral");
- (iii) Any license agreement in which the Guarantor is or becomes licensed to use any patents and/or trademarks owned by a third party including, without limitation, the licenses, if any, listed on Schedule C attached hereto and made a part hereof (all of the foregoing are sometimes referred to herein individually and/or collectively as the "License Collateral");
- (iv) The goodwill of the Company's business connected with and symbolized by the foregoing; and
- (v) All cash and non-cash proceeds of the foregoing.

3. CITBC's Rights. Upon the occurrence of any Event of Default hereunder, CITBC shall have all the rights and remedies of a secured party under the Uniform Commercial Code and any other applicable state or federal laws. CITBC will give the Guarantor reasonable notice of the time and place of any public sale of the Intellectual Property Collateral or the time after which any private sale of the Intellectual Property Collateral or any other intended disposition thereof is to be made. Unless otherwise provided by law, the requirement of reasonable notice shall be met if such notice is mailed, postage prepaid to the address of the Guarantor set forth above at least ten (10) days before the date of such sale or disposition. In addition to the foregoing and all other rights and remedies of

CITBC upon the occurrence of any Event of Default hereunder, CITBC shall thereupon have the immediate right to transfer to itself or to sell, assign and transfer to any other person all right, title and interest in and to all or any part of the Intellectual Property Collateral. A formal irrevocable power of attorney (in the form annexed hereto) is being executed and delivered by the Guarantor to CITBC concurrently with this Agreement to enable such rights to be carried out. The Guarantor agrees that, in the event CITBC exercises its rights hereunder and/or pursuant to said power of attorney in accordance with its terms, after written notification of such exercise from CITBC to the Guarantor, the Guarantor shall never thereafter, without the prior written authorization of the owner or owners of such Intellectual Property Collateral, use any of such Intellectual Property Collateral. The condition of the foregoing provision is such that unless and until there occurs an Event of Default under this Agreement, the Guarantor shall continue to own and use the Intellectual Property Collateral in the normal course of its business and to enjoy the benefits, royalties and profits therefrom provided, however, that from and after the occurrence of an Event of Default such right will, upon the exercise by CITBC of the rights provided by this Agreement, be revoked and the right of the Guarantor to enjoy the uses, benefits, royalties and profits of said Intellectual Property Collateral will wholly cease, whereupon CITBC or its transferee(s) shall be entitled to all of the Guarantor's right, title and interest in and to the Intellectual Property Collateral hereby so assigned. This Agreement will not operate to place upon CITBC any duty or responsibility to maintain the Intellectual Property Collateral.

4. Fees. The Guarantor will pay all filing fees with respect to the security interest created hereby which CITBC may deem necessary or advisable in order to perfect and maintain the perfection of its security interest in the Intellectual Property Collateral.
5. Representations and Warranties. The Guarantor represents and warrants: that the Guarantor lawfully possesses and owns the Intellectual Property Collateral and that except for the security interest granted hereby, the Intellectual Property Collateral will be kept free from all liens, security interests, claims and encumbrances whatsoever; that the Guarantor has not made or given any prior assignment, transfer or security interest in the Intellectual Property Collateral or any of the proceeds thereof; that the Intellectual Property Collateral is and will continue to be, in all respects, in full force and effect; and that there are no known infringements of the Intellectual Property Collateral.
6. Application of Proceeds. The proceeds of any sale, transfer or disposition of the Intellectual Property Collateral shall be applied first to all costs and expenses, including, but not limited to, reasonable attorneys' fees and expenses and court

costs, incurred by CITBC in connection with such sale and the exercise of CITBC's rights and remedies hereunder and under the Financing Agreement; next, such proceeds shall be applied to the payment, in whole or in part, of the Obligations due CITBC in such order as CITBC may elect; and the balance, if any, shall be paid to the Guarantor or as a court of competent jurisdiction may direct.

7. Defense of Claims. The Guarantor will defend at its own cost and expense any action, claim or proceeding affecting the Intellectual Property Collateral or the interest of CITBC therein. The Guarantor agrees to reimburse CITBC for all costs and expenses incurred by CITBC in defending any such action, claim or proceeding.
8. Rights Cumulative. This Agreement shall be in addition to the Financing Agreement and shall not be deemed to affect, modify or limit the Financing Agreement or any rights that CITBC has under the Financing Agreement. The Guarantor agrees to execute and deliver to CITBC (at the Guarantor's expense) any further documentation or papers necessary to carry out the intent or purpose of this Agreement including, but not limited to, financing statements under the Uniform Commercial Code.
9. Construction and Invalidity. Any provisions hereof contrary to, prohibited by or invalid under any laws or regulations shall be inapplicable and deemed omitted herefrom, but shall not invalidate the remaining provisions hereof.
10. **CHOICE OF LAW. THE GUARANTOR AGREES THAT THE VALIDITY, INTERPRETATION AND ENFORCEMENT OF THIS AGREEMENT AND ALL RIGHTS HEREUNDER SHALL BE GOVERNED BY THE LAWS OF THE STATE OF NEW YORK. THIS AGREEMENT TOGETHER WITH THE FINANCING AGREEMENT CONSTITUTES THE ENTIRE AGREEMENT OF THE GUARANTOR AND CITBC WITH RESPECT TO THE INTELLECTUAL PROPERTY COLLATERAL, CAN ONLY BE CHANGED OR MODIFIED IN WRITING AND SHALL BIND AND BENEFIT THE GUARANTOR, CITBC AND THEIR RESPECTIVE SUCCESSORS AND ASSIGNS. THE GUARANTOR AND CITBC EACH HEREBY EXPRESSLY WAIVES ANY RIGHT OF TRIAL BY JURY ON ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION ARISING HEREUNDER.**
11. Events of Default. Any of the following constitutes an Event of Default under this Agreement:
 - (i) The Guarantor fails to perform or observe any agreement, covenant or condition required under this Agreement;

- (ii) Any warranty or representation made by Guarantor, in this Agreement shall be or becomes false or misleading in any material respect; or
- (iii) The occurrence of any Event of Default under the Financing Agreement which is not waived in writing by CITBC.

12. Notices. The Guarantor covenants and agrees that, with respect to the Intellectual Property Collateral, it will give CITBC written notice in the manner provided in the Financing Agreement of:

- (i) any claim by a third party that the Company has infringed on the rights of a third party;
- (ii) any suspected infringement by a third party on the rights of the Company; or
- (iii) any Intellectual Property Collateral created, arising or acquired by the Company after the date hereof.

13. Further Assurances. The Guarantor will take any such action as CITBC may reasonably require to further confirm or protect CITBC's rights under this Agreement in the Intellectual Property Collateral. In furtherance thereof, the Guarantor hereby grants to CITBC a power of attorney coupled with an interest which shall be irrevocable during the term of this Agreement to execute any documentation or take any action in the Guarantor's behalf required to effectuate the terms, provisions and conditions of this Agreement.

14. Termination. This Agreement shall terminate upon termination of the Financing Agreement and full, final and indefeasible payment of all Obligations of the Guarantor thereunder. Upon the Guarantor's request, CITBC shall within a reasonable time after any such termination execute and deliver to the Company (at the Guarantor's expense) such documents and instruments as are reasonably necessary to evidence such termination and release of the security interest granted herein on any applicable public record.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the 6th day of January, 2000.

DIDDE CORPORATION

(the "Guarantor")


By: 

Name: David C. Diddle

Title: President

Agreed and Accepted this
6th day of January, 2000

THE CIT GROUP/BUSINESS CREDIT, INC.

By: 

Name: Robert C. Smith

Title: Sr. Vice President

IRREVOCABLE POWER OF ATTORNEY

DIDDE CORPORATION, with offices at 1200 Graphic Arts Road, Emporia, Kansas 66801, (hereinafter referred to as the "Guarantor"), hereby grants to The CIT Group/Business Credit, Inc., a New York corporation, with offices at 1211 Avenue of the Americas, New York, New York 10036 (hereinafter referred to as "CITBC"), the exclusive Irrevocable Power of Attorney to transfer to CITBC or to any designee of CITBC all Intellectual Property Collateral listed on the Schedules attached to the Grant of Security Interest in Patents, Trademarks and Licenses (the "Agreement"), dated as of the date hereof, between the Guarantor and CITBC including, without limitation, all patents, patent applications and/or registrations, trademarks, trademark applications and/or registrations, and licenses together with the goodwill of the business connected with or symbolized by such Intellectual Property Collateral and the Guarantor's entire inventory of labels and decals bearing any trademarks not affixed to its products, and the right to operate and control, sell, assign, and transfer the business under those trademarks under the following terms and conditions:

1. The Power of Attorney granted hereunder shall be effective as of the date hereof and shall last for as long as any now existing or hereafter arising indebtedness, liabilities or obligations of the Guarantor to CITBC are outstanding under the Financing Agreement, dated on or about the date hereof, between Didde Web Press Corporation, Chromas Technologies Canada, Inc., CITEF and CITBC.

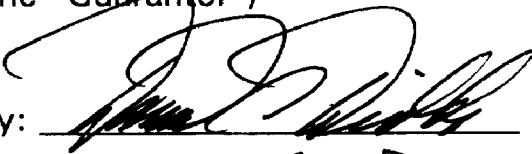
2. The Power of Attorney granted herein shall be irrevocable throughout the duration of its life as specified in Paragraph 1 hereinabove;

3. The Power of Attorney granted herein shall only be exercisable by CITBC after the occurrence of an Event of Default under the Agreement between CITBC and the Guarantor; and

4. CITBC shall give the Guarantor ten (10) days prior written notice of the exercise of this power, and the waiver by CITBC of any particular Event of Default as set forth in Paragraph 3 hereinabove shall have no force or effect unless in writing and signed by an authorized officer of CITBC. Even then such waiver shall not constitute or be considered a waiver of any other Event of Default then existing or thereafter arising whether similar or not.

IN WITNESS WHEREOF, the Company has caused this Power of Attorney to be executed as of the 6th day of January, 2000.

DIDDE CORPORATION
(the "Guarantor")

By: 

Name: David C. Diddle

Title: President

STATE OF *Pennsylvania*
COUNTY OF *Philadelphia*

On January 6, 2000, before me, the undersigned, a notary public in and for said State, personally appeared *David C. Ditte* known to me to be the
President of DIDDE CORPORATION, the corporation that executed the within instrument, and acknowledged to me that such corporation executed the within instrument pursuant to its by-laws and a resolution of its board of directors.

WITNESS my hand and official seal.

Elizabeth T. Osborne
Notary Public

NOTARIAL SEAL
ELIZABETH T. OSBORNE, Notary Public
City of Philadelphia, Phila. County
My Commission Expires Nov. 30, 2000

**SCHEDULE A TO GRANT OF SECURITY INTEREST IN PATENTS,
TRADEMARKS AND LICENSES**

between

DIDDE CORPORATION

and

THE CIT GROUP/BUSINESS CREDIT, INC.

U.S. PATENTS

None

**SCHEDULE B TO GRANT OF SECURITY INTEREST IN PATENTS,
TRADEMARKS AND LICENSES**

between

DIDDE CORPORATION

and

THE CIT GROUP/BUSINESS CREDIT, INC.

U.S. TRADEMARKS

OWNER: Didde Corporation

<u>Title or Mark</u>	<u>Registration No.</u>	<u>Registration Date</u>
Didde D and Design	1,168,082	09/08/81
"D"	1,180,855	12/08/81
Didde	1,199,316	06/29/82
INSTAFLEX	2,173,736	07/14/98
INSTANT CHANGE TECHNOLOGY	2,171,839	07/07/98
CHROMAS	75/561,751	09/29/98
CHROMAS	75/561,339	09/29/98
INSTAPREP	75/458,741	03/30/98
PRESSTIGE	75/656,542	03/08/99
PRESSTIGE	75/510,633	06/29/98
PRODUCER	75/474,878	04/27/98

**SCHEDULE C TO GRANT OF SECURITY INTEREST IN PATENTS,
TRADEMARKS AND LICENSES**

between

DIDDE CORPORATION

and

THE CIT GROUP/BUSINESS CREDIT, INC.

U.S. LICENSES

1. License Agreement, dated as of September 6, 1996, between Digital Label Alliance and Didde Corporation, as amended.