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08-03-2000



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U.S. DEPARTMENT OF COMMERCE  
Patent and Trademark OfficeTab settings ☐ ☐ ☐ ☒ 7.11.05

101421788

To the Honorable Commissioner of Patents

and original documents or copy thereof.

## 1. Name of conveying party(ies):

St. Laurent Paper Products Corp.  
150 North Michigan Avenue, 39th Fl.  
Chicago, IL 60601

- ☐ Individual(s) ☐ Association  
☐ General Partnership ☐ Limited Partnership  
☒ Corporation-State  
☐ Other \_\_\_\_\_

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

## 3. Nature of conveyance:

- ☐ Assignment ☐ Merger  
☒ Security Agreement ☐ Change of Name  
☐ Other \_\_\_\_\_

Execution Date: May 31, 2000

## 2. Name and address of receiving party(ies)

Name: The Chase Manhattan Bank

Internal Address: \_\_\_\_\_

Street Address: 270 Park Ave.

City: New York State: NY ZIP: 10012

- ☐ Individual(s) citizenship \_\_\_\_\_  
☐ Association \_\_\_\_\_  
☐ General Partnership \_\_\_\_\_  
☐ Limited Partnership \_\_\_\_\_  
☒ Corporation-State NY  
☐ 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)

B. Trademark Registration No.(s)

-See attached schedule.-

Additional numbers attached? ☒ Yes ☐ No

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

Name: Penelope Agodoa

Internal Address: Federal Research Corporation

Street Address: 400 Seventh St., NW

Suite 101

City: Washington State: DC ZIP: 20004

08/02/2000 DNGUYEN 00000253 74305028

## 6. Total number of applications and registrations involved: 9

7. Total fee (37 CFR 3.41).....\$240<sup>00</sup>

- ☐ Enclosed  
☐ Authorized to be charged to deposit account

## 8. Deposit account number:

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

DO NOT USE THIS SPACE

01 FC:481 40.00 OP  
02 FC:482 200.00 OP

## 9. 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.

Chiann Bao

Name of Person Signing

Signature

7/6/2000

Date

Total number of pages including cover sheet, attachments, and document: 38

Mail documents to be recorded with required cover sheet information to:  
Commissioner of Patents & Trademarks, Box Assignments  
Washington, D.C. 20231TRADEMARK  
REEL: 002114 FRAME: 0268

## Schedule

St. Laurent Paper Products Corp.

<u>Trademark</u>	<u>App. No.</u>	<u>Filing Date</u>	<u>Reg. No.</u>	<u>Issue Date</u>
BAY INSTRUMENTATION AND TECHNOLOGY	74305028	8/17/92	1822336	2/22/94
BAY INSTRUMENTATION AND TECHNOLOGY	74303691	8/13/92	1818738	2/1/94
C-WHITE	74137676	2/8/91	1682915	4/14/92
DURA-CORR	73649692	3/16/87	1462779	10/27/87
OXY-BRITE	73014045	2/21/74	0999471	12/17/74
TRI-LITE	73671907	7/13/87	1476840	2/16/88
TRI-LITE PLUS	74206907	9/26/91	1704958	8/4/92
SWF	72177681	9/25/63	0797809	10/19/65
SUPER WATERFINISH	72177682	9/25/63	0896057	8/4/70

## U.S. SECURITY AGREEMENT

THIS U.S. SECURITY AGREEMENT is dated as of May 31, 2000, by ST. LAURENT PAPERBOARD (U.S.) INC.-1, a Delaware corporation ("SLP US-1"), the subsidiaries of SLP US-1 listed on Annex I hereto (the "SLP US-1 Subsidiaries"), ST. LAURENT PAPERBOARD (U.S.) INC., a Delaware corporation ("SLP US"), and the subsidiaries of SLP US listed on Annex I hereto (the "SLP US Subsidiaries", and together with SLP US-1, the SLP US-1 Subsidiaries, SLP US any other entity that becomes a party hereto pursuant to Section 6.16 hereof, the "Debtors") in favor of BANKERS TRUST COMPANY, a New York banking corporation ("BTCo") in its capacity as collateral agent (the "Collateral Agent") for the benefit of the Beneficiaries. Capitalized terms used herein shall have the respective meanings given to them in or pursuant to Section 5.1 hereof.

### RECITALS:

A. Reference is made to the Credit Agreement dated as of May 31, 2000 (as from time to time amended, supplemented, restated or otherwise modified in accordance with the terms thereof and in effect, the "Credit Agreement"), by and among Stone Container Corporation, a Delaware corporation and the parent of SLP US-1 ("Stone"), St. Laurent Paperboard Inc., a corporation incorporated under the Canada Business Corporations Act ("Canco" and, together with Stone, the "Borrowers"), the Lenders (as defined in Article I of the Credit Agreement), The Chase Manhattan Bank, a New York banking corporation ("Chase"), as an agent, BTCo, as administrative agent for the Lenders (the "Administrative Agent"), and as Collateral Agent, and Deutsche Bank Canada, Canadian administrative agent (the "Canadian Administrative Agent") for the Revolving Lenders and as facing agent (the "Facing Agent").

B. The Debtors have agreed to execute the Stone Subsidiary Guarantee Agreement in favor of the Beneficiaries, pursuant to which the Debtors will guarantee the payment and performance of the Obligations of Stone and Canco.

C. Certain of the Debtors that own Collateral located in the State of Maryland (the "Maryland Debtors") have agreed to execute the Maryland Subsidiary Guarantee Agreement in favor of the Beneficiaries, pursuant to which the Maryland Debtors will guarantee the payment of the Obligations of Stone and Canco after the occurrence of an Event of Default.

D. The Debtors have agreed to execute and deliver this Agreement to the Collateral Agent for the benefit of the Beneficiaries in order to secure the Obligations with those assets of the Debtors in which a security interest is being granted pursuant to this Agreement.

NOW, THEREFORE, in consideration of the premises and other benefits to the Debtors the receipt and sufficiency of which are hereby acknowledged, each Debtor hereby makes the following representations and warranties and hereby covenants and agrees with the Collateral Agent as follows:

## **ARTICLE I SECURITY INTERESTS**

1.1 Grant of Security Interests. (a) As security for the prompt and complete payment and performance when due of all of the Obligations, each Debtor does hereby pledge, hypothecate, assign, transfer and grant to the Collateral Agent for the ratable benefit of the Beneficiaries a continuing security interest of first priority, subject, as to priority, only to

Permitted Liens which, pursuant to applicable law, are prior in right to the Lien granted hereby, in all right, title and interest of each Debtor in and to (A) Equipment (including, without limitation, all Equipment used in the business of each Debtor and all office equipment), (B) Fixtures, together with accessions thereto and replacement parts therefor, (C) Inventory, (D) Documents, (E) Accounts Receivable, (F) Contracts, (G) General Intangibles, (H) Investment Property, (I) Intellectual Property, (J) cash and cash accounts, (K) all Proceeds of the foregoing (including, without limitation, all insurance and claims for insurance effected or held for the benefit of the Debtors or the Beneficiaries in respect thereof) and (L) products of any and all of the foregoing in each case whether now owned or hereafter acquired (all of the foregoing being collectively referred to herein as the “Collateral”); provided that the term Collateral shall not include (i) any Program Receivables that are transferred to FinSub pursuant to the Receivables Program Documents, (ii) any rights, title or interest arising under any lease or other contract entered into in the ordinary course of business which validly prohibits the creation by any Debtor of a security interest in such rights, and (iii) any rights or property to the extent that any valid enforceable law or regulation applicable to such rights or property prohibits the creation of a security interest therein; provided, however, that such rights and property described in the preceding clauses (ii) and (iii) shall be excluded from the Collateral only to the extent and for so long as such agreement (in the case of clause (ii)) or such law (in the case of clause (iii)) continues validly to prohibit the creation of such security interest, and upon the expiration of such prohibition, the rights and property as to which such prohibition previously applied shall automatically be included in the Collateral, without further action on the part of the Debtor or the Collateral Agent, and (iv) any property or assets (other than inventory and receivables and proceeds thereof) acquired after the date hereof the granting of a lien or security interest in which pursuant to this Agreement or otherwise would breach or violate the terms of any Specified Senior Indenture. Notwithstanding anything to the contrary set forth herein, the security interest so granted by the Maryland Debtors in Collateral located in the State of Maryland shall only secure Obligations of the Maryland Debtors arising under the Maryland Subsidiary Guarantee Agreement.

(b) The assignment and security interest so granted to the Collateral Agent shall not relieve any Debtor from the performance of any term, covenant, condition or agreement on the part of such Debtor to be performed or observed under or in respect of any of the Collateral or from any liability to any Person under or in respect of any of the Collateral or impose any obligation on the Collateral Agent to perform or observe any such term, covenant, condition or agreement on the part of any Debtor to be so performed or observed or impose any liability on the Collateral Agent for any act or omission on the part of any Debtor relative thereto or for any breach of any representation or warranty on the part of any Debtor contained in this Agreement or any other Loan Document, or in respect of the Collateral or made in connection herewith or therewith. The obligations of each Debtor contained in this paragraph shall survive the termination of this Agreement and the discharge of such Debtor's other obligations hereunder.

1.2 Power of Attorney. Each Debtor hereby constitutes and appoints the Collateral Agent its true and lawful attorney, irrevocably, with full power after the occurrence and during the continuance of an Event of Default, upon acceleration or otherwise (in the name of each Debtor or otherwise), to require, demand, receive, compound and give acquittance for any and all monies and claims for monies due or to become due to any Debtor under or arising out of the Collateral, to endorse any checks or other instruments or orders in connection therewith and to file any claims or take any action or institute any proceedings which the Collateral Agent may deem to be necessary or advisable in the premises. This appointment as attorney is coupled with an interest.

## ARTICLE II GENERAL REPRESENTATIONS, WARRANTIES AND COVENANTS

Each Debtor represents, warrants and covenants, which representations, warranties and covenants shall survive execution and delivery of this Agreement and any investigation by or on behalf of the Collateral Agent or any Beneficiary, as follows:

2.1 Necessary Filings. (a) The Perfection Certificate has been duly prepared, completed and executed and the information set forth therein is correct and complete in all material respects. All filings, registrations and recordings necessary or appropriate to create, preserve, protect and perfect the security interest granted by each Debtor to the Collateral Agent hereby in respect of the Collateral (other than unregistered patents, trademarks and copyrights, federally documented vessels, registered vehicles and railcars and other similar rolling stock) have been filed or concurrently herewith are being filed and the security interest granted to the Collateral Agent pursuant to this Agreement in and to the Collateral (other than unregistered patents, trademarks and copyrights, federally documented vessels, registered vehicles and railcars and other similar rolling stock) constitutes a perfected security interest therein superior and prior to the rights of all other Persons therein (except Persons holding Permitted Liens) and subject to no other Liens (except Permitted Liens) and is entitled to all the rights, priorities and benefits afforded by the UCC or other relevant law as enacted in any relevant jurisdiction which relates to perfected security interests filed or concurrently herewith being filed. Without limiting in any way the obligations of the Debtors set forth herein, if the Collateral Agent shall notify any Debtor of any filing required to be made pursuant to this Section, such Debtor shall have ten (10) business days from such notice to make any such filing.

(b) Filings with respect to Intellectual Property. Each Debtor represents and warrants that fully executed security agreements in the form hereof and containing a description of all Collateral consisting of registered patents, trademarks and copyrights have been delivered to the Collateral Agent for recording by the United States Patent and Trademark Office and the United States Copyright Office pursuant to 35 U.S.C. § 261, 15 U.S.C. § 1060 or 17 U.S.C. § 205 and the regulations thereunder, as applicable, and otherwise as may be required pursuant to the laws of any other necessary jurisdiction, to protect the validity of and to establish a legal, valid and perfected security interest in favor of the Collateral Agent (for the ratable benefit of the Beneficiaries) in respect of all Collateral consisting of registered Patents, Trademarks and Copyrights in which a security interest may be perfected by filing, recording or registration in the United States (or any political subdivision thereof).

(c) Financing Statements. Each Debtor agrees to sign and deliver to the Collateral Agent such financing statements, in form acceptable to the Collateral Agent, as the Collateral Agent may from time to time request in order to establish and/or maintain a valid, enforceable, first priority security interest in the Collateral as provided herein (except for Permitted Liens) and the other rights, as against third parties, provided hereby, all in accordance with the UCC or any other relevant law. The applicable Debtor will pay any applicable filing fees and related expenses. Each Debtor authorizes the Collateral Agent to file any such financing statements without the signature of any Debtor.

(d) Filing Requirements. Upon written request therefor, the applicable Debtor shall promptly deliver to the Collateral Agent any and all certificates of title, applications for title or similar evidence of ownership of any or all Collateral with a fair market value in excess of U.S.\$100,000 and shall cause the Collateral Agent to be named as lienholder on any such certificates of title or other evidences of ownership. As of the date hereof, no material part of the Collateral is of a type in which security interests or liens may be registered, recorded or filed under, or notice thereof given under, any statute or regulation. Each Debtor shall promptly notify the Collateral Agent in writing upon acquiring any interest hereafter in any material Collateral

that is of a type as to which a security interest or lien may be registered, recorded or filed under, or notice thereof given under, any statute or regulation.

2.2 Title to Collateral. Each Debtor has good and marketable title to all material items comprising the Collateral, except for Permitted Liens. No Debtor will (i) create, incur, assume or permit to exist any Lien on any existing or future item of Collateral other than Permitted Liens, each Debtor hereby agreeing to preserve and maintain in full force and effect the Liens on the Collateral created by this Agreement in favor of the Collateral Agent or (ii) except as permitted by the Credit Agreement, enter into or assume any agreement containing a negative pledge which would require a sharing of an interest in the Collateral or prohibits or limits the grant of any such interest. Until all of the Obligations shall have been fully paid and satisfied and all commitments in respect thereof have been terminated and except as otherwise provided by the Credit Agreement, the Collateral Agent shall be entitled to retain security in and Liens upon all Collateral and all of the Collateral Agent's rights and remedies shall continue.

2.3 Further Actions -- Collateral. Each Debtor will, at its own expense, make, execute, endorse, acknowledge, file and/or deliver to the Collateral Agent from time to time such lists, descriptions and designations of the Collateral, mortgages, leasehold mortgages, deeds of trust, security instruments or similar instruments, powers of attorney, certificates, reports and other assurances or instruments and take such further steps relating to the Collateral and other property or rights covered by the security interest hereby granted, which the Collateral Agent deems reasonably appropriate or advisable to perfect, preserve or protect its security interest in the Collateral. If any amount payable under or in connection with any of the Collateral shall be or become evidenced by any promissory note or other instrument, such note or instrument shall be immediately pledged and delivered to the Collateral Agent, duly endorsed in a manner satisfactory to the Collateral Agent. Without limiting the generality of the foregoing, each Debtor hereby authorizes the Collateral Agent, with prompt written notice thereof to the Debtors, to supplement this Agreement by supplementing Schedule A, B, C or D hereto or adding additional schedules hereto to specifically identify any asset or item that may constitute Copyrights, Licenses, Patents or Trademarks; provided, however, that any Debtor shall have the right, exercisable within 10 days after it has been notified by the Collateral Agent of the specific identification of such Collateral, to advise the Collateral Agent in writing of any inaccuracy of the representations and warranties made by such Debtor hereunder with respect to such Collateral. Each Debtor agrees that it will use its reasonable best efforts to take such action as shall be necessary in order that all representations and warranties hereunder shall be true and correct with respect to such Collateral within 30 days after the date it has been notified by the Collateral Agent of the specific identification of such Collateral.

2.4 Other Financing Statements. As of the date hereof, there is no financing statement (or similar statement or instrument of registration under the law of any jurisdiction) on file (other than those filed in connection with Permitted Liens) in any public office covering or purporting to cover any interest of any kind in the Collateral other than financing statements filed in connection herewith and so long as the commitment of any Lender remains in effect in whole or in part in respect of any of the Obligations or any of the Obligations remain unpaid. No Debtor will execute or authorize to be filed in any public office any financing statement (or similar statement or instrument of registration under the law of any jurisdiction) or statements relating to the Collateral, except financing statements filed or to be filed in respect of and covering the security interests granted hereby by the Debtor or in connection with financing leases permitted by the Credit Agreement or as otherwise permitted by the Credit Agreement.

2.5 Chief Executive Office; Records. Evidence of all Collateral and the books of account and records of each Debtor relating thereto are, and will continue to be, kept at such chief executive offices, or at such new location or locations for such chief executive offices as each Debtor may establish in accordance with the last sentence of this Section 2.5. All items of Collateral of the Debtors are, and will continue to be, controlled and monitored (including, with-

out limitation, for general accounting purposes) from, such chief executive office location shown above, or such new location as the Debtors may establish in accordance with the last sentence of this Section 2.5. No Debtor shall establish a new location for its chief executive office unless, with respect to such new location, it shall have taken all action, if any, as may be satisfactory to the Collateral Agent in order to maintain the perfection of the security interest of the Collateral Agent in the Collateral granted hereby at all times fully perfected and in full force and effect.

2.6 Location of Inventory and Equipment. All Inventory and Equipment held on the date hereof by the Debtors is located at one of the locations shown on Annex I hereto (other than (i) immaterial portions of Inventory and Equipment or (ii) Equipment out for repair). Each Debtor agrees that, except as provided herein, all Inventory and Equipment (other than (i) immaterial portions of Inventory and Equipment or (ii) Equipment out for repair) now held or subsequently acquired by it shall be kept at (or shall be in transit to or from) any one of the locations shown on Annex I hereto, or such new location as such Debtor may establish if (i) it shall have given to the Collateral Agent prior telephonic (immediately confirmed in writing) or written notice of its intention to do so, clearly describing such new location and providing such other information in connection therewith as the Collateral Agent may request, and (ii) with respect to such new location, it shall have taken all action satisfactory to the Collateral Agent to cause the security interest in the Collateral granted hereby to be and continue at all times fully perfected and in full force and effect.

2.7 Additional Representations and Warranties of the Debtors. Each Debtor represents and warrants that (i) the execution, delivery and performance by it of this Agreement have been duly authorized by all necessary corporate action on its part, (ii) this Agreement has been duly executed and delivered by such Debtor and (iii) this Agreement is the legal, valid and binding obligation of such Debtor enforceable against such Debtor in accordance with its terms, except as enforcement thereof may be subject to the effect of any applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and general principles of equity (regardless of whether such enforcement is sought in a proceeding in equity or at law).

2.8 Protection of Collateral Agent's Security. Except as permitted by the Credit Agreement, none of the Debtors will do anything to materially impair the rights of the Collateral Agent in the Collateral. Each Debtor will at all times keep the Collateral insured in favor of the Collateral Agent in compliance with the requirements of the Credit Agreement. Each Debtor assumes all liability and responsibility in connection with the Collateral acquired by it, and the liability of each Debtor to pay its Obligations shall in no way be affected or diminished by reason of the fact that such Collateral may be lost, stolen, damaged, or for any reason whatsoever unavailable to such Debtor.

2.9 Governmental Authorizations; Consents No authorization, approval or other action by, and no notice to or filing with, any governmental authority or regulatory body or consent of any other Person which has not been obtained on or prior to the date hereof is required (other than with respect to unregistered patents, trademarks and copyrights, federally documented vessels, registered vehicles and railcars and other similar rolling stock) either (i) for the grant by each Debtor of the security interests granted hereby or for the execution, delivery or performance of this Agreement by each Debtor or (ii) for the perfection of or the exercise by the Collateral Agent of its rights and remedies hereunder.

2.10 Bailee. Each Debtor shall, upon the request of the Collateral Agent, notify any warehouseman, bailee, agent or processor that from time to time possesses or controls any material portion of the Collateral of the security interests created hereby and, upon the request of the Collateral Agent, shall instruct such Person to hold all such Collateral for the Collateral Agent's account subject to the Collateral Agent's instructions. In the event that any Debtor shall

for any reason have failed to make any such notification, such Debtor hereby authorizes the Collateral Agent to do so as such Debtor's agent or otherwise on such Debtor's behalf.

2.11 Hot Goods. None of the Collateral of any Debtor has been or will be produced in violation of any provision of the Fair Labor Standards Act of 1938, as amended, or in violation of any other law.

2.12 Legend. Upon the occurrence and during the continuance of an Event of Default, and if the Collateral Agent so directs any Debtor, such Debtor shall legend, in form and manner satisfactory to the Collateral Agent, its Accounts Receivable and its books, records and documents evidencing or pertaining thereto with an appropriate reference to the fact that such Accounts Receivable have been assigned to the Collateral Agent for the benefit of the secured parties and that the Collateral Agent has a security interest therein.

2.13 Covenants Regarding Patent, Trademark and Copyright Collateral.

(a) Each Debtor agrees that it will not, nor will it permit any of its licensees to, do any act, or omit to do any act, whereby any Patent which is material to the conduct of the business of Stone and its Subsidiaries taken as a whole may become invalidated or dedicated to the public, and agrees that it shall continue to mark any products covered by any such Patent with the relevant patent number as necessary and sufficient to establish and preserve its maximum rights under applicable patent laws.

(b) Each Debtor (either itself or through its licensees or its sublicensees) will, for each Trademark material to the conduct of the business of Stone and its Subsidiaries taken as a whole, (i) maintain such Trademark in full force free from any claim of abandonment or invalidity for non-use, (ii) maintain the quality of products and services offered under such Trademark, (iii) display such Trademark with notice of Federal or foreign registration to the extent necessary and sufficient to establish and preserve its maximum rights under applicable law and (iv) not knowingly use or knowingly permit the use of such Trademark in violation of any third party rights.

(c) Each Debtor (either itself or through licensees) will, for each work covered by a Copyright material the business of Stone and its Subsidiaries taken as a whole, continue to publish, reproduce, display, adopt and distribute the work with appropriate copyright notice as necessary and sufficient to establish and preserve its maximum rights under applicable copyright laws.

(d) Each Debtor shall notify the Collateral Agent immediately if it knows or has reason to know that any Patent, Trademark or Copyright material to the conduct of the business of Stone and its Subsidiaries taken as a whole may become abandoned, lost or dedicated to the public, or of any adverse determination or development (including the institution of, or any such determination or development in, any proceeding in the United States Patent and Trademark Office, United States Copyright Office or any court or similar office of any country) regarding such Debtor's ownership of any such Patent, Trademark or Copyright, its right to register the same, or to keep and maintain the same.

(e) In no event shall any Debtor, either itself or through any agent, employee, licensee or designee, file an application for any Patent, Trademark or Copyright (or for the registration of any Trademark or Copyright) material the business of Stone and its Subsidiaries taken as a whole with the United States Patent and Trademark Office, United States Copyright Office or any office or agency in any political subdivision of the United States or in any other country or any political subdivision thereof, unless it promptly informs the Collateral Agent, and, upon request of the Collateral Agent, executes and delivers any and all agreements, instruments, documents and papers as the Collateral Agent may request to evidence the Collateral Agent's security interest in such Patent, Trademark or Copyright, and each Debtor hereby appoints the



Collateral Agent as its attorney-in-fact to execute and file such writings for the foregoing purposes, all acts of such attorney being hereby ratified and confirmed; such power, being coupled with an interest, is irrevocable.

(f) Each Debtor will take all necessary steps that are consistent with the practice in any proceeding before the United States Patent and Trademark Office, United States Copyright Office or any office or agency in any political subdivision of the United States or in any other country or any political subdivision thereof, to maintain and pursue each material application relating to the Patents, Trademarks and/or Copyrights (and to obtain the relevant grant or registration) and to maintain each issued Patent and each registration of the Trademarks and Copyrights, in each case that is material to the conduct of the business of Stone and its Subsidiaries taken as a whole including timely filings of applications for renewal, affidavits of use, affidavits of incontestability and payment of maintenance fees, and, if consistent with good business judgment, to initiate opposition, interference and cancellation proceedings against third parties; provided that, to the extent permitted by the Credit Agreement, no Debtor shall be obligated to preserve or maintain any Patent, Trademark or Copyright in the event such Debtor determines, in its reasonable business judgment, that the preservation of such Patent, Trademark or Copyright is no longer desirable in the conduct of its business.

(g) In the event that any Debtor has reason to believe that any Collateral consisting of a Patent, Trademark or Copyright material to the conduct of the business of Stone and its Subsidiaries taken as a whole has been or is about to be infringed, misappropriated or diluted by a third party, such Debtor promptly shall notify the Collateral Agent and shall, if consistent with good business judgment as determined by the Board of Directors of Stone, promptly sue for infringement, misappropriation or dilution and to recover any and all damages for such infringement, misappropriation or dilution, and take such other actions as are reasonably appropriate under the circumstances to protect such Collateral.

(h) Upon and during the continuance of an Event of Default, each Debtor shall, if requested by the Collateral Agent, use commercially reasonable efforts to obtain all requisite consents or approvals by the licensor of each Copyright License, Patent License or Trademark License material to the business of Stone and its Subsidiaries taken as a whole to effect the assignment of all of such Debtor's right, title and interest thereunder to the Collateral Agent or its designee.

### ARTICLE III REMEDIES UPON OCCURRENCE OF EVENT OF DEFAULT

3.1 Remedies; Obtaining the Collateral Upon Event of Default. Each Debtor agrees that, if any Event of Default shall have occurred and be continuing, then and in every such case, subject to any mandatory requirements of applicable law then in effect, the Collateral Agent may:

(a) personally, or by agents or attorneys, immediately retake possession of the Collateral or any part thereof, from such Debtor or any other Person who then has possession of any part thereof with or without notice or process of law, and for that purpose may enter upon such Debtor's premises where any of the Collateral is located and remove the same and use in connection with such removal any and all services, supplies, aids and other facilities of such Debtor; and

(b) take possession of the Collateral or any part thereof, including in the case of Collateral not constituting Fixtures which are not readily removable, by directing such Debtor in writing to deliver the same to the Collateral Agent at any reasonable place or

places designated by the Collateral Agent, in which event such Debtor shall at its own expense:

(i) forthwith cause the same to be moved to the place or places so designated by the Collateral Agent and there delivered to the Collateral Agent,

(ii) store and keep any Collateral so delivered to the Collateral Agent at such place or places pending further action by the Collateral Agent, and

(iii) while the Collateral shall be so stored and kept, provide such guards and maintenance services as shall be necessary to protect the same and to preserve and maintain them in good condition;

it being understood that each Debtor's obligation so to deliver the Collateral is of the essence of this Agreement and that, accordingly, upon application to a court of equity having jurisdiction, the Collateral Agent shall be entitled to a decree requiring specific performance by each Debtor of said obligation.

3.2 Remedies; Disposition of the Collateral. (a) Any Collateral repossessed by the Collateral Agent under or pursuant to Section 3.1 and any other Collateral whether or not so repossessed by the Collateral Agent may be sold, leased or otherwise disposed of under one or more contracts or as an entirety, and without the necessity of gathering at the place of sale the property to be sold, and in general in such manner, at such time or times, at such place or places and on such terms and for such prices as the Collateral Agent may, in compliance with any mandatory requirements of applicable law, determine to be commercially reasonable. Upon the occurrence and continuance of any Event of Default, the Collateral Agent shall have the power to foreclose each Debtor's right of redemption in the Collateral by sale, lease or other disposition of the Collateral in accordance with the UCC. Any of the Collateral may be sold, leased or otherwise disposed of in the condition in which the same existed when taken by the Collateral Agent or after any overhaul or repair which the Collateral Agent shall determine to be commercially reasonable. Any such disposition which shall be a private sale or other private proceedings permitted by the requirements of applicable law shall be made after written notice to each Debtor specifying the time at which such disposition is to be made and the intended sale price or other consideration therefor. Any such disposition which shall be a public sale permitted by such requirements shall be made after written notice to each Debtor specifying the time and place of such sale and, in the absence of applicable requirements of law, shall be by public auction. To the extent permitted by any such requirement of law, the Collateral Agent or any Beneficiary (including any Lender) may itself bid for and become the purchaser of the Collateral or any item thereof, offered by public sale in accordance with this Section without accountability to the Debtors (except to the extent of surplus money received as provided in Section 3.4). In the payment of the purchase price of the Collateral, the purchaser shall be entitled to have credit on account of the purchase price thereof of amounts owing to such purchaser on account of any of the Obligations held by such purchaser and any such purchaser may deliver notes, claims for interest, or claims for other payment with respect to such Obligations in lieu of cash up to the amount which would, upon distribution of the net proceeds of such sale, be payable thereon. Such notes, if the amount payable hereunder shall be less than the amount due thereon, shall be returned to the holder thereof after being appropriately stamped to show partial payment. If, under mandatory requirements of applicable law, the Collateral Agent shall be required to make disposition of the Collateral within a period of time which does not permit the giving of notice to each Debtor as hereinabove specified, the Collateral Agent need give each Debtor only such notice of disposition as shall be reasonably practicable in view of such mandatory requirements of applicable law.

(b) No notification need be given to a Debtor if it has signed, after an Event of Default, a statement renouncing or modifying any right to notification of sale or other intended

disposition. In addition to the rights and remedies granted to it in this Agreement and in the other Loan Documents, the Collateral Agent shall have all the rights and remedies of a secured party under the UCC.

**3.3 Waiver of Claims.** Except as otherwise provided in this Agreement, **EACH DEBTOR HEREBY WAIVES, TO THE EXTENT PERMITTED BY APPLICABLE LAW, NOTICE OR JUDICIAL HEARING IN CONNECTION WITH THE AGENT'S TAKING POSSESSION OR THE AGENT'S DISPOSITION OF ANY OF THE COLLATERAL INCLUDING, WITHOUT LIMITATION, ANY AND ALL PRIOR NOTICE AND HEARING FOR ANY PREJUDGMENT REMEDY OR REMEDIES AND ANY SUCH RIGHT WHICH SUCH DEBTOR WOULD OTHERWISE HAVE UNDER THE CONSTITUTION OR ANY STATUTE OF THE UNITED STATES OR OF ANY STATE,** and each Debtor hereby further waives:

(a) all damages occasioned by such taking of possession except any damages which are the direct result of the Collateral Agent's violation of law, gross negligence or willful misconduct;

(b) all other requirements as to the time, place and terms of sale or other requirements with respect to the enforcement of the Collateral Agent's rights hereunder; and

(c) all rights of redemption, appraisalment, valuation, stay, extension or moratorium now or hereafter in force under any applicable law in order to prevent or delay the enforcement of this Agreement or the absolute sale of the Collateral or any portion thereof, and each Debtor, for itself and all persons who may claim under it, insofar as it or they now or hereafter lawfully may, hereby waives the benefit of all such laws.

Any sale of, or the grant of options to purchase, or any other realization upon, any Collateral shall operate to divest all right, title, interest, claim and demand, either at law or in equity, of the applicable Debtor therein and thereto, and shall be a perpetual bar both at law and in equity against such Debtor and against any and all Persons claiming or attempting to claim the Collateral so sold, optioned or realized upon, or any part thereof, from, through and under such Debtor.

**3.4 Application of Proceeds.** (a) The proceeds of any Collateral obtained pursuant to Section 3.1 or disposed of pursuant to Section 3.2 shall be applied as follows:

First: to the ratable payment of the costs and expenses of such sale, including reasonable compensation to the Collateral Agent, its agents and attorneys, and of any judicial or private proceedings in which such sale may be made, and of all other expenses, liabilities and advances made or incurred by the Collateral Agent and its agents and attorneys under this Agreement, the Credit Agreement and the other Loan Documents, together with interest at the Default Rate on such costs, expenses and liabilities and on all advances made by the Collateral Agent from the date any such cost, expense or liability is due, owing or unpaid or any such advance is made, in each case until paid in full.

Second: to the ratable payment of all amounts then due and owing under the Credit Agreement and the other Loan Documents or otherwise other than (i) interest and principal in respect of any Loans and any reimbursement obligations with respect to Letters of Credit under the Credit Agreement, (ii) any Other Obligations and (iii) amounts payable under subparagraph "First" above.

Third: to the ratable payment of amounts due in respect of (i) the interest then due and owing in respect of the Loans (including reimbursement obligations with respect to Letters of Credit) under the Credit Agreement and (ii) with respect to any Interest Rate Agreement, the interest due and owing in respect of any amounts payable thereunder, in each case together with, to the maximum extent permitted by law, interest thereon at the Default Rate from the date due and owing until paid in full.

Fourth: to the ratable payment of amounts due in respect of (i) the whole amount of principal then due and owing in respect of any Loans (including reimbursement obligations with respect to Letters of Credit) under the Credit Agreement and (ii) any Other Obligations (other than interest payable pursuant to subparagraph "Third" above) due and owing in respect of any Interest Rate Agreement, in each case together with interest on such unpaid principal at the Default Rate from the date due and owing until paid in full.

Fifth: the surplus, if any, to be paid to whomever may be lawfully entitled to receive such surplus.

**3.5 Remedies Cumulative.** Each and every right, power and remedy hereby specifically given to the Collateral Agent, for the benefit of the Beneficiaries, shall be in addition to every other right, power and remedy specifically given under this Agreement or under the other Loan Documents or now or hereafter existing at law or in equity, or by statute and each and every right, power and remedy whether specifically herein given or otherwise existing may be exercised from time to time or simultaneously and as often and in such order as may be deemed expedient by the Collateral Agent. All such rights, powers and remedies shall be cumulative and the exercise or the beginning of exercise of one shall not be deemed a waiver of the right to exercise any of the others. No delay or omission of the Collateral Agent in the exercise of any such right, power or remedy and no renewal or extension of any of the Obligations shall impair any such right, power or remedy or shall be construed to be a waiver of any default or Event of Default or an acquiescence therein. In the event that the Collateral Agent shall bring any suit to enforce any of its rights hereunder and shall be entitled to judgment, then in such suit the Collateral Agent may recover reasonable expenses, including attorney's fees, and the amounts thereof shall be included in such judgment.

**3.6 Discontinuance of Proceedings.** In case the Collateral Agent shall have instituted any proceeding to enforce any right, power or remedy under this Agreement by foreclosure, sale, entry or otherwise, and such proceeding shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Collateral Agent, then and in every such case each Debtor, the Collateral Agent and each holder of any of the obligations shall be restored to their respective former positions and rights hereunder with respect to the Collateral, and all rights, remedies and powers of the Collateral Agent shall continue as if no such proceeding had been instituted.

**3.7 Notice.** Except as otherwise provided in this Agreement, each Debtor agrees that any notice delivered 48 hours prior to any action to be taken hereunder, including without notice of the time and place of any public sale or the time after which a private sale or other intended disposition is to take place, shall conclusively be deemed reasonable for all purposes hereunder.

**3.8 Collateral Agent May Perform.** If any Debtor fails to perform any agreement contained herein, the Collateral Agent may itself perform, or cause the performance of, such agreement, and the expenses of the Collateral Agent incurred in connection therewith shall be payable by each Debtor in accordance with Section 6.5 hereof.

## ARTICLE IV INDEMNITY

4.1 Indemnity. (a) Each Debtor will jointly and severally indemnify and hold harmless each Beneficiary and its respective successors, assigns, directors, officers, employees, attorneys, agents and Affiliates (hereinafter referred to individually as "Indemnitee," and collectively as "Indemnitees") from and against all losses, claims, damages, expenses or liabilities to which such Indemnitee may become subject, insofar as such losses, claims, damages, expenses or liabilities (or actions, suits or proceedings including any inquiry or investigation or claims in respect thereof) arise out of, in any way relate to, or result from the transactions contemplated by this Agreement and to reimburse each Indemnitee, upon their demand, for any reasonable legal or other expenses (or (but not as well as) the reasonable allocated costs of staff counsel) incurred in connection with investigating, preparing to defend or defending any such loss, claim, damage, liability, action or claim; provided, however, that no Indemnitee shall have the right to be so indemnified for a violation of law or for its gross negligence or willful misconduct as finally determined by a court of competent jurisdiction after the expiration of all appeals and the time to appeal. If any action, suit or proceeding arising from any of the foregoing is brought against any Indemnitee, each Debtor will, if requested by such Indemnitee, resist and defend such action, suit or proceeding or cause the same to be resisted and defended by counsel reasonably satisfactory to the Person or Persons indemnified or intended to be indemnified. Each Indemnitee shall, unless such Indemnitee has made the request described in the preceding sentence and such request has been complied with, have the right to employ its own counsel (or (but not as well as) staff counsel) to investigate and control the defense of any matter covered by such indemnity and the reasonable fees and expenses of such counsel shall be at the expense of the indemnifying party. If any Debtor shall fail to do any act or thing which its has part of the Debtors contained herein shall be breached, the Collateral Agent may (but shall not be obligated to) do the same or cause it to be done or remedy any such breach, and may expend its funds for such purpose, and will use its best efforts and give prompt written notice to such Debtor that it proposes to take such action. Any and all amounts so expended by the Collateral Agent shall be repayable to it by the Debtors promptly upon the Collateral Agent's demand therefor.

(b) Without limiting the application of Section 4.1(a), each Debtor jointly and severally agrees to pay, or reimburse the Collateral Agent for (if the Collateral Agent shall have incurred fees, costs or expenses, including reasonable attorneys' fee (or (but not as well as) staff counsel fees)) any and all fees, costs and expenses of whatever kind or nature incurred in connection with the creation, preservation or protection of the Collateral Agent's Liens on, and security interest in, the Collateral, including, without limitation, all fees and taxes in connection with the recording or filing of instruments and documents in public offices, payment or discharge of any taxes (excluding income or similar taxes) or Liens upon or in respect of the Collateral, premiums for insurance with respect to the Collateral and all other fees, costs and expenses in connection with protecting, maintaining or preserving the Collateral and the Collateral Agent's interest therein, whether through judicial proceedings or otherwise, or in defending or prosecuting any actions, suits or proceedings arising out of or relating to the Collateral.

(c) Without limiting the application of Section 4.1(a) or (b), each Debtor jointly and severally agrees to pay, indemnify and hold each Indemnitee harmless from and against any loss, costs, damages and expenses which such Indemnitee may suffer, expend or incur in consequence of or growing out of any misrepresentation by any Debtor in this Agreement or in any statement or writing contemplated by or made or delivered pursuant to or in connection with this Agreement.

(d) If and to the extent that the obligations of any Debtor under this Section 4.1 are unenforceable for any reason, each Debtor hereby agrees to make the maximum contribution to the payment and satisfaction of such obligations which is permissible under applicable law.

(e) The obligations of the Debtors contained in this Section 4.1 shall survive the termination of this Agreement and the discharge of the Debtors' other obligations hereunder and the full payment of all the Obligations and notwithstanding the discharge thereof.

4.2 Indemnity Obligation Secured by Collateral; Survival. Any amounts paid by any Indemnatee as to which such Indemnatee has the right to reimbursement shall constitute obligations secured by the Collateral. The indemnity obligations of the Debtors contained in this Article IV shall continue in full force and effect notwithstanding the full payment of the Obligations, and notwithstanding the discharge thereof.

## ARTICLE V DEFINITIONS

5.1 Definitions. The following terms shall have the meanings specified in this Section unless the context otherwise requires. Such definitions shall be equally applicable to the singular and plural forms of the terms defined.

“Accounts” means, with respect to each Debtor, any and all right, title and interest of such Debtor to payment for goods and services sold or leased, including any such right evidenced by chattel paper, whether due or to become due, whether or not it has been earned or performed, and whether now or hereafter acquired or arising in the future, including, without limitation, accounts receivable from Affiliates of such person.

“Accounts Receivable” means, with respect to each Debtor, all right, title and interest of such Debtor to Accounts and all of its right, title and interest in any returned goods, together with all rights, titles, securities and guaranties with respect thereto, including any rights to stoppage in transit, replevin, reclamation and resales, and all related security interests, liens and pledges, whether voluntary or involuntary in each case whether due or becoming due, whether now or hereafter arising in the future.

“Administrative Agent” has the meaning assigned thereto in the introduction to this Agreement.

“Agreement” means this U.S. Security Agreement as it may be amended, restated, supplemented or otherwise modified from time to time in accordance with the terms hereof.

“Beneficiaries” means, at any time the determination thereof is to be made, the Collateral Agent, Chase, the Administrative Agent, the Canadian Administrative Agent, the Facing Agent, the Lenders and any holder of any Obligation (other than the Debtors or any Subsidiary or Affiliate of the Debtors);

“Borrowers” has the meaning assigned thereto in the introduction to this Agreement.

“Canadian Administrative Agent” has the meaning assigned thereto in the introduction to this Agreement.

“Canco” has the meaning assigned thereto in the introduction to this Agreement.

“Chase” has the meaning assigned thereto in the introduction to this Agreement.

“Collateral” has the meaning specified in Section 1.1(a).

"Collateral Agent" has the meaning assigned thereto in the introduction to this Agreement.

"Commodity Account" means an account maintained by a Commodity Intermediary in which a Commodity Contract is carried out for a Commodity Customer.

"Commodity Contract" means a commodity futures contract, an option on a commodity futures contract, a commodity option or any other contract that, in each case, is (a) traded on or subject to the rules of a board of trade that has been designated as a contract market for such a contract pursuant to the federal commodities laws or (b) traded on a foreign commodity board of trade, exchange or market, and is carried on the books of a Commodity Intermediary for a Commodity Customer.

"Commodity Customer" means a person for whom a Commodity Intermediary carries a Commodity Contract on its books.

"Commodity Intermediary" means (a) a person who is registered as a futures commission merchant under the federal commodities laws or (b) a person who in the ordinary course of its business provides clearance or settlement services for a board of trade that has been designated as a contract market pursuant to federal commodities laws.

"Contracts" means, with respect to each Debtor, all rights of such Debtor under contracts and agreements to which such Debtor is a party or under which such Debtor has any right, title or interest or to which such Debtor or any property of such Debtor is subject, as the same may from time to time be amended, supplemented or otherwise modified, including, without limitation, (a) all rights of such Debtor to receive moneys due and to become due to it thereunder or in connection therewith, (b) all rights of such Debtor to damages arising out of, or for, breach or default in respect thereof and (c) all rights of such Debtor to exercise all remedies thereunder, in each case to the extent the grant by such Debtor of a security interest pursuant to this Agreement in its rights under such contract or agreement is not prohibited without the consent of any other person, or is permitted with consent if all necessary consents to such grant of a security interest have been obtained from all such other persons (it being understood that the foregoing shall not be deemed to obligate such Debtor to obtain such consents), provided, that the foregoing limitation shall not affect, limit, restrict or impair the grant by such Debtor of a security interest pursuant to this Agreement in any Account or any money or other amounts due or to become due under any such contract or agreement to the extent provided in Section 9-318 of the UCC as in effect on the date hereof.

"Copyright License" means any written agreement, now or hereafter in effect, granting any right to any third party under any Copyright now or hereafter owned by any Debtor or which such Debtor otherwise has the right to license, or granting any right to such Debtor under any Copyright now or hereafter owned by any third party, and all rights of such Debtor under any such agreement.

"Copyrights" means all of the following now owned or hereafter acquired by any Debtor: (a) all copyright rights in any work subject to the copyright laws of the United States or any other country, whether as author, assignee, transferee or otherwise, and (b) all registrations and applications for registration of any such copyright in the United States or any other country, including registrations, recordings, supplemental registrations and pending applications for registration in the United States Copyright Office, including those listed on Schedule A hereto.

"Credit Agreement" has the meaning assigned thereto in the recitals to this Agreement.

“Debtors” has the meaning assigned thereto in the introduction to this Agreement.

“Documents” means, with respect to each Debtor, all “documents” or “documents of title” (in each case as defined in the UCC) or other instruments, files, records and ledger sheets covering or relating to any of the Collateral.

“Entitlement Holder” means a person identified in the records of a Securities Intermediary as the person having a Security Entitlement against the Securities Intermediary. If a person acquires a Security Entitlement by virtue of Section 8-501(b)(2) or (3) of the Code, such person is the Entitlement Holder.

“Equipment” means, with respect to each Debtor, all “equipment” (as defined in the UCC) now owned or hereafter acquired by such Debtor and used or bought for use primarily in such Debtor's business including, without limitation, all tangible personal property (other than Inventory) and all parts thereof and all additions and accessions thereto and replacements therefor.

“Event of Default” means an “Event of Default” as defined in the Credit Agreement.

“Facing Agent” has the meaning assigned thereto in the introduction to this Agreement.

“Financial Asset” means (a) a Security, (b) an obligation of a person or a share, participation or other interest in a person or in property or an enterprise of a person, which is, or is of a type, dealt with in or traded on financial markets, or which is recognized in any area in which it is issued or dealt in as a medium for investment or (c) any property that is held by a Securities Intermediary for another person in a Securities Account if the Securities Intermediary has expressly agreed with the other person that the property is to be treated as a Financial Asset under Article 8 of the UCC. As the context requires, the term Financial Asset means either the interest itself or the means by which a person's claim to it is evidenced, including a certificated or uncertificated Security, a certificate representing a Security or a Security Entitlement.

“Fixtures” means, with respect to each Debtor, “fixtures” (as defined the UCC) including, without limitation, all plant fixtures, trade fixtures, business fixtures, other fixtures and storage office facilities, and all additions and accessions thereto and replacements therefor.

“General Intangibles” means, with respect to each Debtor, all “general intangibles” (as defined in the UCC on the date hereof including limited partnership or limited liability company interests) now owned or hereafter acquired by such Debtor to the extent, in the case of any General Intangibles arising under any contract, limited partnership or limited liability company interest or agreement, that the grant by such Debtor of a security interest pursuant to this Agreement in its rights under such contract or agreement is not prohibited without the consent of any other person, or is permitted with consent if all necessary consents to such grant of a security interest have been obtained from all such other persons (it being understood that the foregoing shall not be deemed to obligate such Debtor to obtain such consents), provided, that the foregoing limitation shall not affect, limit, restrict or impair the grant by such Debtor of a security interest pursuant to this Agreement in any Account or General Intangible or any money or other amounts due or to become due under any such contract or agreement to the extent provided in Section 9-318 of the UCC as in effect on the date hereof, and provided, further, that “General Intangibles” shall not include any of the items within Section 1.1(D) herein.

“Indemnitee” has the meaning specified in Section 4.1.



“Intellectual Property” means, with respect to each Debtor, all intellectual and similar property of such Debtor of every kind and nature now owned or hereafter acquired by such Debtor, including inventions, designs, Patents, Copyrights, Licenses, Trademarks, trade secrets, confidential or proprietary technical and business information, know-how, show-how or other data or information, software and databases and all embodiments or fixations thereof and related documentation, registrations and franchises, and all additions, improvements and accessions to, and books and records describing or used in connection with, any of the foregoing.

“Inventory” means, with respect to each Debtor, “inventory” (as defined in the UCC), including all goods, merchandise and other personal property, now owned or hereafter acquired by any Debtor of every kind or description which are held for sale or lease or are furnished or to be furnished under a contract of service or are raw materials, work-in-process or materials used or consumed or are to be used or consumed in the business of such Debtor.

“Investment Property” means, with respect to each Debtor, all Securities (whether certificated or uncertificated), Security Entitlements, Securities Accounts, Commodity Contracts and Commodity Accounts of such Debtor, whether now owned or hereafter acquired by such Debtor.

“Lenders” means those banks and other financial institutions which are or may become parties to the Credit Agreement.

“License” means any Patent License, Trademark License, Copyright License or other license or sublicense to which any Debtor is a party, including those listed on Schedule B hereto (other than those license agreements in existence on the date hereof and listed on Schedule B hereto and those license agreements entered into after the date hereof, which by their terms prohibit assignment or a grant of a security interest by such Debtor as licensee thereunder).

“Obligations” means (i) all “Obligations” as defined in the Credit Agreement, (ii) all liabilities and obligations of the Debtors to any Lender under, or in respect of, any foreign exchange, interest rate swap, interest rate cap insurance, hedging agreements or similar arrangements entered into in the ordinary course of business of the Debtors between the Debtors and any Lender with respect to the Obligations (as defined in the Credit Agreement) (collectively, “Interest Rate Agreements”), whether any such Interest Rate Agreement is now in existence or hereafter arising, and the due performance and compliance by the Debtors with all of the terms, conditions and agreements contained therein (all such liabilities and obligations described in this clause (ii) being collectively referred to herein as “Other Obligations”), (iii) all liabilities and obligations of the Debtors and the Maryland Debtors to the Collateral Agent and the other Beneficiaries under the Stone Subsidiary Guarantee Agreement and the Maryland Subsidiary Guarantee Agreement, respectively, and (iv) the prompt and complete performance when due of the covenants and obligations to be performed by the Debtors under the Loan Documents and the Interest Rate Agreements (including in each case above all such amounts which would become due but for the operation of the automatic stay under Section 362(a) of the United States Bankruptcy Code, 11 U.S.C. § 362(a), and the operation of Sections 502(b) and 506(b) or any analogous stay under any foreign law).

“Patent License” means any written agreement, now or hereafter in effect, granting to any third party any right to make, use or sell any invention on which a Patent, now or hereafter owned by any Debtor or which any Debtor otherwise has the right to license, is in existence, or granting to any Debtor any right to make, use or sell any invention on which a Patent, now or hereafter owned by any third party, is in existence, and all rights of any Debtor under any such agreement.

“Patents” means all of the following now owned or hereafter acquired by any Debtor: (a) all letters patent of the United States or any other country, all registrations and

recordings thereof, and all applications for letters patent of the United States or any other country, including registrations, recordings and pending applications in the United States Patent and Trademark Office or any similar offices in any other country, including those listed on Schedule C hereto, and (b) all reissues, continuations, divisions, continuations-in-part, renewals or extensions thereof, and the inventions disclosed or claimed therein, including the right to make, use and/or sell the inventions disclosed or claimed therein.

"Perfection Certificate" means a certificate substantially in the form of Annex II hereto, completed and supplemented with the schedules and attachments contemplated thereby, and duly executed by a Financial Officer and the chief legal officer of the Stone.

"Proceeds" means all "proceeds" (as defined in the UCC), including without limitation (i) any and all proceeds of any insurance, indemnity, warranty or guaranty payable to the Collateral Agent or to the Debtors from time to time with respect to any of the Collateral, (ii) any and all payments (in any form whatsoever) made or due and payable to the Debtors from time to time in connection with the requisition, confiscation, condemnation, seizure or forfeiture of all or any part of the Collateral by any governmental authority (or any person acting under color of governmental authority), (iii) any and all profits, rentals or receipts, in whatever form, arising from the collection, sale, lease, exchange, assignment, licensing or other disposition of, or realization upon, any Collateral and (iv) any and all other amounts from time to time paid or payable under or in connection with any of the Collateral.

"Revolving Lenders" has the meaning assigned thereto in the Credit Agreement.

"Securities" means any obligations of an issuer or any shares, participations or other interests in an issuer or in property or an enterprise of an issuer that (a) are represented by a certificate representing a security in bearer or registered form, or the transfer of which may be registered upon books maintained for that purpose by or on behalf of the issuer, (b) are one of a class or series or by its terms is divisible into a class or series of shares, participations, interests or obligations and (c)(i) are, or are of a type, dealt with or trade on securities exchanges or securities markets or (ii) are a medium for investment and by their terms expressly provide that they are a security governed by Article 8 of the UCC.

"Securities Account" means an account to which a Financial Asset is or may be credited in accordance with an agreement under which the person maintaining the account undertakes to treat the person for whom the account is maintained as entitled to exercise rights that comprise the Financial Asset.

"Security Entitlements" means the rights and property interests of an Entitlement Holder with respect to a Financial Asset.

"Security Intermediary" means (a) a clearing corporation or (b) a person, including a bank or broker, that in the ordinary course of its business maintains securities accounts for others and is acting in that capacity.

"SLP US" has the meaning assigned thereto in the introduction to this Agreement.

"Stone" has the meaning assigned thereto in the introduction to this Agreement.

"Subsidiaries" has the meaning assigned thereto in the introduction to this Agreement.

"Trademark License" means any written agreement, now or hereafter in effect, granting to any third party any right to use any Trademark now or hereafter owned by any Debtor

or which any Debtor otherwise has the right to license, or granting to any Debtor any right to use any Trademark now or hereafter owned by any third party, and all rights of any Debtor under any such agreement.

“Trademarks” means all of the following now owned or hereafter acquired by any Debtor: (a) all trademarks, service marks, trade names, corporate names, company names, business names, fictitious business names, trade styles, trade dress, logos, other source or business identifiers, designs and general intangibles of like nature, now existing or hereafter adopted or acquired, all registrations and recordings thereof, and all registration and recording applications filed in connection therewith, including registrations and registration applications in the United States Patent and Trademark Office, any State of the United States or any similar offices in any other country or any political subdivision thereof, and all extensions or renewals thereof, including those listed on Schedule D hereto, (b) all goodwill associated therewith or symbolized thereby and (c) all other assets, rights and interests that uniquely reflect or embody such goodwill.

“UCC” means the Uniform Commercial Code as in effect on the date hereof in the State of New York, provided that if by reason of mandatory provisions of law, the perfection or the effect of perfection or non-perfection of the security interest in any Collateral or the availability of any remedy hereunder is governed by the UCC as in effect on or after the date hereof in any other jurisdiction, “UCC” means the Uniform Commercial Code as in effect in such other jurisdiction for purposes of the provisions hereof relating to such perfection or effect of perfection or nonperfection or availability of such remedy.

Unless otherwise defined herein, all capitalized terms used as defined terms herein shall have the respective meanings given thereto in the Credit Agreement. Unless otherwise defined herein or in the Credit Agreement, all terms that are defined in the UCC as enacted in the relevant jurisdiction shall have the same meanings herein as given to them in such UCC.

## ARTICLE VI MISCELLANEOUS

6.1 No Waiver, Modifications in Writing. No failure or deliver the part of the Collateral Agent or any Beneficiary in exercising any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy. The remedies provided for herein are cumulative and are not exclusive of any remedies that may be available to the Collateral Agent or any Beneficiary at law or in equity or otherwise. No amendment, modification, supplement, termination or waiver of or to any provision of this Agreement, nor consent to any departure by the Debtors or any of their Subsidiaries therefrom, shall be effective unless the same shall be in writing and signed by or on behalf of the Collateral Agent and each Debtor; provided, however, that in no event shall any such amendment, modification, supplement, termination or waiver which is materially adverse to the interests of the Lenders or which releases any Collateral other than as permitted by Section 11.08 of the Credit Agreement be entered into without the consent of the Required Lenders. Any amendment, modification or supplement of or to any provision of this Agreement, any waiver of any provision of this Agreement, and any consent to any departure by any Debtor from the terms of any provision of this Agreement, shall be effective only in the specific instance and for the specific purpose for which made or given. Except where notice is specifically required by this Agreement or any other Loan Document, no notice to or demand on any Debtor in any case shall entitle such Debtor to any other or further notice or demand in similar or other circumstances. This Agreement contains the entire transactions contemplated hereunder and supersedes all negotiations, representations, warranties, commitments, offers, contracts and writings prior to the date hereof with respect to the transactions contemplated hereunder.

6.2 Notices, etc. All notices or other communications hereunder shall be given in the manner and to the addresses set forth in the Pledge Agreement.

6.3 Further Assurances. Each Debtor agrees to promptly and properly perform such further acts and things and to execute and deliver to the Collateral Agent such additional assignments, agreements, powers and instruments, as the Collateral Agent may in its reasonable judgment require or deem advisable to carry into effect the purposes of this Agreement or to better assume and confirm unto the Collateral Agent its rights, powers and remedies hereunder.

6.4 Payments. The provisions of Section 2.19 of the Credit Agreement shall apply to each payment required to be made under this Agreement as if such provisions expressly referenced each such payment.

6.5 Costs, Expenses and Taxes. Each Debtor agrees to pay, jointly and severally, all reasonable costs and expenses in connection with the negotiation, preparation, reproduction, execution and delivery of this Agreement, any amendment or modifications of (or supplements to) this Agreement and any and all other documents furnished pursuant hereto or thereto or in connection herewith or therewith, including the reasonable fees and out-of-pocket expenses of Cravath, Swaine & Moore, special counsel to the Collateral Agent, and any local counsel retained by the Collateral Agent relative hereto or thereto or (but not as well as) the reasonable allocated costs of staff counsel, as well as the reasonable fees and out-of-pocket expenses of counsel or (but not as well as) the reasonable allocated costs of staff counsel, independent public or chartered accountants and other outside experts retained by the Collateral Agent in connection with the administration of this Agreement, and all reasonable costs and expenses (including, without limitation, reasonable attorneys' fees and expenses or (but not as well as) the reasonable allocated costs of staff counsel), if any, incurred by any Beneficiary in connection with the enforcement of this Agreement or any other agreement furnished pursuant hereto or in connection herewith. In addition, each Debtor shall pay any and all stamp, transfer and other similar taxes payable or determined to be payable in connection with the execution and delivery of this Agreement, and agrees to save and hold each Beneficiary harmless from and against any and all liabilities with respect to or resulting from any delay in paying, or omission to pay, such taxes.

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

6.7 Binding Effect; Assignment. This Agreement shall be binding upon, and inure to the benefit of, each Debtor and the Collateral Agent and the other Beneficiaries and their respective successors and assigns; provided, however, that no Debtor may assign its rights or obligations hereunder or in connection herewith or any interest herein (voluntarily, by operation of law or otherwise) without the prior written consent of the Lenders.

6.8 Consent to Jurisdiction. Each Debtor hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of any New York State court or Federal court of the United States of America sitting in New York City, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement or the other Loan Documents, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State or, to the extent permitted by law, in such Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement shall affect any right that any Lender may otherwise have to bring any action or proceeding

relating to this Agreement or the other Loan Documents against any Loan Party or its properties in the courts of any jurisdiction.

**6.9 Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, INCLUDING SECTIONS 5-1401 AND 5-1402 OF TITLE 14 OF THE NEW YORK GENERAL OBLIGATIONS LAW BUT EXCLUDING ALL OTHER CHOICE OF LAW AND CONFLICTS OF LAWS RULES THEREOF AND EXCEPT FOR THE PERFECTION AND ENFORCEMENT OF SECURITY INTERESTS AND LIENS IN OTHER JURISDICTIONS, WHICH SHALL BE GOVERNED BY THE LAWS OF THOSE JURISDICTIONS.**

**6.10 Severability of Provisions.** Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity of enforceability of such provision in any other jurisdiction.

**6.11 Headings.** The Section headings used in this Agreement are for convenience of reference only and shall not affect the construction of this Agreement.

**6.12 Obligations Absolute.** The obligations of each Debtor hereunder shall remain in full force and effect without regard to, and shall not be impaired by, (a) any bankruptcy, insolvency, reorganization, arrangement, readjustment, composition, liquidation or the like of any Debtor; (b) any exercise or non-exercise, or any waiver of, any right, remedy, power or privilege under or in respect of this Agreement or any Loan Document except as specifically set forth in a waiver granted pursuant to the provisions of Section 6.1 hereof; or (c) any amendment to or modification of any Loan Document or any security for any of the obligations, whether or not such Debtor shall have notice or knowledge of any of the foregoing.

**6.13 Termination; Release.** This Agreement shall continue in effect (notwithstanding the fact that from time to time there may be no obligations or commitments therefor outstanding) until the earlier of (a) the time when (i) no Obligations (as defined in the Credit Agreement) or commitments of or by the Collateral Agent or any Lender which could give rise to any Obligation shall be outstanding, and (ii) the Collateral Agent shall have received written notice from each Debtor electing to terminate this Agreement and (b) the time when the Collateral is required to be released pursuant to Section 11.09 of the Credit Agreement. Collateral may be released in accordance with Section 11.09 of the Credit Agreement. Upon the termination of this Agreement, the Collateral Agent, at the request and expense of the Debtors, will execute and deliver to each Debtor the proper instruments (including Uniform Commercial Code termination statements on form UCC-3) acknowledging the termination of this Agreement, and will duly assign, transfer and deliver to the applicable Debtor (without recourse and without any representation or warranty) such of the Collateral as may be in possession of the Collateral Agent and has not theretofore been sold or otherwise applied or released pursuant to this Agreement. Prior to the exercise of its remedies by the Collateral Agent under Article III of this Agreement, Inventory may be sold or disposed of by the Debtors in the ordinary course of business free and clear of the security interests created hereby and immaterial portions of the Collateral may, for purposes of administrative practicality (such as obsolete equipment) or legal requirements, be released by the Collateral Agent.

**6.14 Conflicts with Credit Agreement.** Notwithstanding anything in this Agreement to the contrary, in the event of a conflict or inconsistency between this Agreement and the provisions of the Credit Agreement, the provisions of the Credit Agreement shall govern.

**6.15 Grant of License to Use Intellectual Property.** For the purpose of enabling the Collateral Agent to exercise rights and remedies under this Article at such time as the

Collateral Agent shall be lawfully entitled to exercise such rights and remedies upon the occurrence and during the continuance of an Event of Default, each Debtor hereby grants to the Collateral Agent an irrevocable, non-exclusive license (exercisable without payment of royalty or other compensation to the Debtors) to use, license or sub-license any of the Collateral consisting of Intellectual Property now owned or hereafter acquired by such Debtor, and wherever the same may be located, and including in such license reasonable access to all media in which any of the licensed items may be recorded or stored and to all computer software and programs used for the compilation or printout thereof. The use of such license by the Collateral Agent shall be exercised, at the option of the Collateral Agent, upon the occurrence and during the continuation of an Event of Default; provided that any license, sub-license or other transaction entered into by the Collateral Agent in accordance herewith shall be binding upon the Debtors notwithstanding any subsequent cure of an Event of Default.

6.16 Additional Debtors. Upon execution and delivery by the Collateral Agent and a Subsidiary of an instrument in the form of Annex III hereto, such Subsidiary shall become a Debtor hereunder with the same force and effect as if originally named as a Debtor herein. The execution and delivery of any such instrument shall not require the consent of any Debtor hereunder.

[Signature pages follow]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered by their duly authorized officers as of the date first above written.

ST. LAURENT PAPERBOARD (U.S.) INC.

By Charles A. Hinrichs

Name: C. A. HINRICHS

Title: V.P. & TREASURER

ST. LAURENT PAPERBOARD (U.S.) INC.,

By Charles A. Hinrichs

Name: C. A. HINRICHS

Title: V.P. & TREASURER

EACH OF THE SLP US SUBSIDIARIES LISTED ON  
ANNEX I HERETO

By Charles A. Hinrichs

Name: C. A. HINRICHS

Title: V.P. & TREASURER

EACH OF THE SLP US-1 SUBSIDIARIES LISTED ON  
ANNEX I HERETO

By Charles A. Hinrichs

Name: C. A. HINRICHS

Title: V.P. & TREASURER

BANKERS TRUST COMPANY, in its capacity as  
Collateral Agent

By Robert R. Telesca

Name: ROBERT R. TELESKA

Title: ASSISTANT VICE PRESIDENT

COPYRIGHTS

None.



LICENSES

None.

PATENTS

St. Laurent Paperboard Inc.

<u>Serial No.</u>	<u>Filing Date</u>	<u>Reg. No.</u>	<u>Issue Date</u>
08660513	6/7/96	5753078	5/19/98
08333490	11/2/94	5562980	10/8/96

St. Laurent Paper Products Corp.

<u>Serial No.</u>	<u>Filing Date</u>	<u>Reg. No.</u>	<u>Issue Date</u>
07589959	9/28/90	5065939	11/19/91
06646247	8/31/84	4576663	3/18/86
07590148	9/28/90	0328810	8/18/92

Eastern Container Corporation

<u>Serial No.</u>	<u>Filing Date</u>	<u>Reg. No.</u>	<u>Issue Date</u>
—	—	5762200	6/9/98
—	—	5351880	10/4/94
—	—	4267008	5/12/81

TRADEMARKS

St. Laurent Paperboard Inc.

<u>Trademark</u>	<u>App. No.</u>	<u>Filing Date</u>	<u>Reg. No.</u>	<u>Issue Date</u>
GRAFXFLUT DESSIN	75373513	10/15/97	—	—
PRINTERS' SELECT	75373514	8/10/15/97/92	—	—
SNO-TOP PLUS	75097998	5/2/96	2138226	2/24/98
ST. LAURENT	74527136	5/9/94	—	—
MISCELLANEOUS DESIGN	74590725	10/26/94	1989230	7/23/96
ECOWRAP	74465118	12/3/93	2036325	211/97

St. Laurent Paper Products Corp.

<u>Trademark</u>	<u>App. No.</u>	<u>Filing Date</u>	<u>Reg. No.</u>	<u>Issue Date</u>
BAY INSTRUMENTATION AND TECHNOLOGY	74305028	8/17/92	1822336	2/22/94
BAY INSTRUMENTATION AND TECHNOLOGY	74303691	8/13/92	1818738	2/1/94
C-WHITE	74137676	2/8/91	1682915	4/14/92
DURA-CORR	73649692	3/16/87	1462779	10/27/87
OXY-BRITE	73014045	2/21/74	0999471	12/17/74
TRI-LITE	73671907	7/13/87	1476840	2/16/88
TRI-LITE PLUS	74206907	9/26/91	1704958	8/4/92
SWF	72177681	9/25/63	0797809	10/19/65
SUPER WATERFINISH	72177682	9/25/63	0896057	8/4/70

Name of Subsidiary

St. Laurent Paperboard Corp.

St. Laurent Forest Products Corp.

NEXTPAK.COM CORP.

St. Laurent Fiber Resources Corp.

St. Laurent Paper Products Corp.

St. Laurent Packaging Corp.

St. Laurent Packaging Technologies,  
Inc.

Eastern Container Corporation

St. Laurent Paper Products Corp.-1

St. Laurent Forest Products Corp.-1

St. Laurent Packaging Corp.-1

## PERFECTION CERTIFICATE

The undersigned, the \_\_\_\_\_ of \_\_\_\_\_, a  
\_\_\_\_\_ corporation (the "Company"), hereby certifies as follows:

1. *Names.* (a) The exact corporate name of the Company, as such name appears in its certificate of incorporation or other organization document, is as follows:

(b) Set forth below is each other corporate or other entity name the Company has had in the past five years, together with the date of the relevant change:

(c) Except as set forth in Schedule 1 hereto, the Company has not change its identity or corporate or other entity structure in any way within the past five years. Changes in identity or structure would include amalgamations, mergers, consolidations and acquisitions, as well as any change in the form, nature or jurisdiction of organization. If any such change has occurred, include in Schedule 1 the information required by Sections 1 and 2 of this certificate as to each acquiree or constituent party to an amalgamation, merger or consolidation.

(d) The following is a list of all other names (including trade names or similar appellations) used by the Company or any of its divisions or other business units in connection with the conduct of its business or the ownership of its properties at any time during the past five years:

(e) Set forth below is the Federal Taxpayer Identification Number (or Canadian equivalent) of the Company:

2. *Current Locations.* (a) The chief executive office of the Company is located at the address set forth opposite its name below:

<u>Company</u>	<u>Mailing Address</u>	<u>County</u>	<u>State/Province</u>

(b) Set forth below opposite the name of the Company are all locations where the Company maintains any books or records relating to any Accounts Receivable (with each location at which chattel paper, if any, is kept being indicated by an "\*"):

<u>Company</u>	<u>Mailing Address</u>	<u>County</u>	<u>State/Province</u>

(c) Set forth below opposite the name of the Company are all the places of business of the Company not identified in paragraph (a) or (b) above:

<u>Company</u>	<u>Mailing Address</u>	<u>County</u>	<u>State/Province</u>

(d) Set forth below opposite the name of the Company are all the locations where the Company maintains any property not identified above:

<u>Company</u>	<u>Mailing Address</u>	<u>County</u>	<u>State/Province</u>

(e) Set forth below opposite the name of the Company are the names and addresses of all persons other than the Company that have possession of any of the property of the Company:

3. *Unusual Transactions.* All Accounts Receivable have been originated by the Company and all Inventory has been acquired by the Company in the ordinary course of business.

4. *File Search Reports.* Attached hereto as Schedule 4(A) are true copies of file search reports from the Uniform Commercial Code (or Canadian equivalent) filing offices in each jurisdiction where the Company has property or where filing is necessary to perfect any security interest. Attached hereto as Schedule 4(B) is a true copy of each financing statement or other filing identified in such file search reports.

5. *Stock Ownership.* Attached hereto as Schedule 5 is a true and correct list of all the duly authorized, issued and outstanding stock or other equity interest of each direct and indirect subsidiary and the record and beneficial owners of such stock or other equity interest. Also set forth on Schedule 5 is each equity investment of the Company that represents 50% or less of the equity of the entity in which such investment was made.

6. *Notes.* Attached hereto as Schedule 6 is a true and correct list of all notes held by the Company and all intercompany notes between the Company and each other such Subsidiary or affiliate.

7. *Advances.* Attached hereto as Schedule 7 is (a) a true and correct list of all advances made by the Company to any Subsidiary or affiliate, which advances will be on and after closing evidenced by one or more intercompany notes pledged as collateral, and (b) a true and correct list of all unpaid intercompany transfers of goods sold and delivered by or to the Company or any Subsidiary of the Company.

8. *Mortgaged Properties.* Attached hereto as Schedule 8 is a schedule setting forth, with respect to each Mortgaged Property, (i) the exact corporate name of the corporation that owns such property as such name appears in its certificate of incorporation, (ii) if different from the name identified pursuant to clause (i), the exact name of the current record owner of such property reflected in the records of the filing office for such property identified pursuant to the

following clause and (iii) the filing office in which a Mortgage with respect to such property must be filed or recorded in order for the Collateral Agent to obtain a perfected security interest therein.

9. *UCC Filings.* Duly signed financing statements on Form UCC-1 in substantially the form of Schedule 9 hereto have been prepared for filing in the Uniform Commercial Code filing office in each jurisdiction where a Debtor has Collateral as identified in Section 2 hereof.

10. *Schedule of Filings.* Attached hereto as Schedule 10 is a schedule setting forth, with respect to the filings described in Section 9 above, each filing and the filing office in which such filing is to be made.

11. *Filing Fees.* All filing fees and taxes payable in connection with the filings described in Section 9 above have been paid.

[signature page follows]

IN WITNESS WHEREOF, the undersigned has duly executed this Certificate on this \_\_\_\_\_ day of \_\_\_\_\_, 2000.

\_\_\_\_\_  
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

SUPPLEMENT NO. \_\_\_\_\_ dated as of \_\_\_\_\_, to the Security Agreement dated as of May 31, 2000, among ST. LAURENT PAPERBOARD (U.S.) INC.-1, a Delaware corporation ("SLP US-1"), the subsidiaries of SLP US-1 listed on Annex I thereto (the "SLP US-1 Subsidiaries"), ST. LAURENT PAPERBOARD (U.S.) INC., a Delaware corporation ("SLP US"), the subsidiaries of SLP US listed on Annex I thereto (the "SLP US Subsidiaries" and, together with SLP US-1, the SLP US-1 Subsidiaries, SLP US, any other entity that becomes a party thereto pursuant to Section 6.16 thereof, the "Debtors") and BANKERS TRUST COMPANY, a New York banking corporation, in its capacity as agent (the "Collateral Agent") for the benefit of the Beneficiaries (as defined therein).

A. Reference is made to the Credit Agreement dated as of May 31, 2000, (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among Stone Container Corporation, a Delaware corporation ("Stone"), St. Laurent Paperboard Inc., a corporation incorporated under the Canada Business Corporations Act ("Canco"), the Lenders (as defined in Article I therein), The Chase Manhattan Bank, a New York banking corporation ("Chase") as an agent, Bankers Trust Company, a New York banking corporation ("BTC") as Administrative Agent and as Collateral Agent for the Lenders, and Deutsche Bank Canada, as Canadian Administrative Agent for the Revolving Lenders and as Facing Agent.

B. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Security Agreement and the Credit Agreement.

C. The Debtors have agreed to execute the Stone Subsidiary Guarantee Agreement dated as of the date hereof in favor of the Beneficiaries, pursuant to which the Debtors will guarantee the payment and performance of the Obligations of Stone and Canco.

D. Certain of the Debtors that own Collateral located in the State of Maryland (the "Maryland Debtors") have agreed to execute the Maryland Subsidiary Guarantee Agreement in favor of the Beneficiaries, pursuant to which the Maryland Debtors will guarantee the payment of the Obligations of Stone and Canco after the occurrence of an Event of Default.

E. The Debtors have entered into the Security Agreement in order to induce the Lenders to make Loans and the Facing Agent to issue Letters of Credit. Section 6.16 of Security Agreement provides that additional Subsidiaries of Stone may become Debtors under the Security Agreement by execution and delivery of an instrument in the form of this Supplement. The undersigned Subsidiary (the "New Debtor") is executing this Supplement in accordance with the requirements of the Credit Agreement to become a Debtor under the Security Agreement in order to induce the Lenders to make additional Loans and the Facing Agent to issue additional Letters of Credit and as consideration for Loans previously made and Letters of Credit previously issued.

Accordingly, the Collateral Agent and the New Debtor agree as follows:

SECTION 1. In accordance with Section 6.16 of the Security Agreement, the New Debtor by its signature below becomes a Debtor under the Security Agreement with the same force and effect as if originally named therein as a Debtor and the New Debtor hereby (a) agrees to all the terms and provisions of the Security Agreement applicable to it as a Debtor thereunder and (b) represents and warrants that the representations and warranties made by it as a Debtor thereunder are true and correct on and as of the date hereof. In furtherance of the foregoing, the New Debtor, as security for the payment and performance in full of the Obligations (as defined in the Security Agreement), does hereby create and grant to the Collateral Agent, its successors and assigns, for the benefit of the Beneficiaries, their successors and assigns, a security interest in and lien on all of the New Debtor's right, title and interest in and to the Collateral (as defined in the Security Agreement) of the New Debtor. Each reference to a "Debtor" in the Security



Agreement shall be deemed to include the New Debtor. The Security Agreement is hereby incorporated herein by reference.

SECTION 2. The New Debtor represents and warrants to the Collateral Agent and the other Beneficiaries that this Supplement has been duly authorized, executed and delivered by it and constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms, subject to the effects of applicable bankruptcy, insolvency, moratorium, reorganization or similar laws affecting creditors' rights generally and equitable principles of general applicability (regardless of whether such enforceability is considered in a proceeding at law or in equity).

SECTION 3. This Supplement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Supplement shall become effective when the Collateral Agent shall have received counterparts of this Supplement that, when taken together, bear the signatures of the New Debtor and the Collateral Agent. Delivery of an executed signature page to this Supplement by facsimile transmission shall be as effective as delivery of a manually signed counterpart of this Supplement.

SECTION 4. The New Debtor hereby represents and warrants that (a) set forth on Schedule I attached hereto is a true and correct schedule of the location of any and all Collateral of the New Debtor and (b) set forth under its signature hereto, is the true and correct location of the chief executive office of the New Debtor.

SECTION 5. Except as expressly supplemented hereby, the Security Agreement shall remain in full force and effect.

**SECTION 6. THIS SUPPLEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, INCLUDING SECTIONS 5-1401 AND 5-1402 OF TITLE 14 OF THE NEW YORK GENERAL OBLIGATIONS LAW BUT EXCLUDING ALL OTHER CHOICE OF LAW AND CONFLICTS OF LAWS RULES THEREOF AND EXCEPT FOR THE PERFECTION AND ENFORCEMENT OF SECURITY INTERESTS AND LIENS IN OTHER JURISDICTIONS, WHICH SHALL BE GOVERNED BY THE LAWS OF THOSE JURISDICTIONS.**

SECTION 7. In case any one or more of the provisions contained in this Supplement should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein and in the Security Agreement shall not in any way be affected or impaired thereby (it being understood that the invalidity of a particular provision in a particular jurisdiction shall not in and of itself affect the validity of such provision in any other jurisdiction). The parties hereto shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

SECTION 8. All communications and notices hereunder shall be in writing and given as provided in Section 6.2 of the Security Agreement. All communications and notices hereunder to the New Debtor shall be given to it at the address set forth under its signature below.

SECTION 9. The New Debtor agrees to reimburse the Collateral Agent for its reasonable out-of-pocket expenses in connection with this Supplement, including the reasonable fees, other charges and disbursements of counsel for the Collateral Agent.

IN WITNESS WHEREOF, the New Debtor and the Collateral Agent have duly executed this Supplement to the Security Agreement as of the day and year first above written.

[Name Of New Debtor],

by

Name:  
Title:  
Address:

BANKERS TRUST COMPANY, as  
Collateral Agent,

by

Name:  
Title:

LOCATION OF COLLATERAL

Description

Location

LOCATION OF COLLATERAL

PATENTS

St. Laurent Paperboard Inc.

<u>Serial No.</u>	<u>Filing Date</u>	<u>Reg. No.</u>	<u>Issue Date</u>
08660513	6/7/96	5753078	5/19/98
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Eastern Container Corporation

<u>Serial No.</u>	<u>Filing Date</u>	<u>Reg. No.</u>	<u>Issue Date</u>
—	—	5762200	6/9/98
—	—	5351880	10/4/94
—	—	4267008	5/12/81

## TRADEMARKS

## St. Laurent Paperboard Inc.

<u>Trademark</u>	<u>App. No.</u>	<u>Filing Date</u>	<u>Reg. No.</u>	<u>Issue Date</u>
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PRINTERS' SELECT	75373514	8/10/15/97/92	—	—
SNO-TOP PLUS	75097998	5/2/96	2138226	2/24/98
ST. LAURENT	74527136	5/9/94	—	—
MISCELLANEOUS DESIGN	74590725	10/26/94	1989230	7/23/96
ECOWRAP	74465118	12/3/93	2036325	2/11/97

## St. Laurent Paper Products Corp.

<u>Trademark</u>	<u>App. No.</u>	<u>Filing Date</u>	<u>Reg. No.</u>	<u>Issue Date</u>
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BAY INSTRUMENTATION AND TECHNOLOGY	74303691	8/13/92	1818738	2/1/94
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DURA-CORR	73649692	3/16/87	1462779	10/27/87
OXY-BRITE	73014045	2/21/74	0999471	12/17/74
TRI-LITE	73671907	7/13/87	1476840	2/16/88
TRI-LITE PLUS	74206907	9/26/91	1704958	8/4/92
SWF	72177681	9/25/63	0797809	10/19/65
SUPER WATERFINISH	72177682	9/25/63	0896057	8/4/70