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FORM PTO-1618A  
Expires 06/30/99  
OMB 0651-0027

09-25-2000

U.S. Department of Commerce  
Patent and Trademark Office  
TRADEMARK



101469259

RECORDATION FORM COVER SHEET  
TRADEMARKS ONLY

TO: The Commission of Patents and Trademarks: Please record the attached original document(s) or copy(ies).

Submission Type

New

Resubmission (Non-Recordation)  
Document ID#

Correction of PTO Error  
Reel #  Frame #

Corrective Document  
Reel #  Frame #

Conveyance Type

Assignment  License

Security Agreement  Nunc Pro Tunc Assignment  
Effective Date  
Month Day Year

Merger

Change of Name

Other

Conveying Party

Mark if additional names of conveying parties attached

Name  Execution Date  
Month Day Year

Formerly

Individual  General Partnership  Limited Partnership  Corporation  Association

Other

Citizenship/State of Incorporation/Organization

Receiving Party

Mark if additional names of receiving parties attached

Name

DBA/AKA/TA

Composed of

Address (line 1)

Address (line 2)

Address (line 3)     
City State/Country Zip Code

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

Corporation  Association

Other

Citizenship/State of Incorporation/Organization

FOR OFFICE USE ONLY

09/22/2000 MTHAI1 00000168 75777549

01 FC:481 40.00 DP  
02 FC:482 600.00 DP

Public burden reporting for this collection of information is estimated to average approximately 30 minutes per Cover Sheet to be recorded, including time for reviewing the document and gathering the data needed to complete the Cover Sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Chief Information Officer, Washington, D.C. 20231 and to the Office of Information and Regulatory Affairs, Office of Management and Budget Paperwork Reduction Product (0651-0027), Washington, D.C. 20503. See OMB Information Collection Budget Package 0651-0027, Patent and Trademark Assignment Practice. DO NOT SEND REQUESTS TO RECORD ASSIGNMENT DOCUMENTS TO THIS ADDRESS.

Mail documents to be recorded with required cover sheet(s) information to:  
Commissioner of Patents and Trademarks, Box Assignments, Washington, D.C. 20231

TRADEMARK  
REEL: 002146 FRAME: 0535

**Domestic Representative Name and Address**

Enter for the first Receiving Party only

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

**Correspondent Name and Address**

Area Code and Telephone Number

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

**Pages**

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

#

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

Mark if additional numbers are attached

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

Trademark Application Number(s)			Registration Number(s)		
<input type="text" value="75/777,549"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="See attached."/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

**Number of Properties**

Enter the total number of properties involved.

#

**Fee Amount**

Fee Amount for Properties Listed (37 CFR 3.41):

\$

Method of Payment: Enclosed

Deposit Account

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

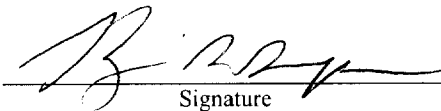
Deposit Account Number: #

Authorization to charge additional fees: Yes  No

**Statement and Signature**

To the best of my knowledge and belief, the foregoing is true and correct and any attached copy is a true copy of the original document. Charges to deposit account are authorized, as indicated herein.

Kevin S. Sprecher  
Name of Person Signing

  
Signature

8/31/00  
Date Signed

Attachment to Recordation Cover Sheet  
Interstate Packaging Corp. to The Provident Bank

**U.S. REGISTRATION NO.**

1,754,665  
1,879,726  
1,879,733  
1,879,734  
1,880,606  
1,880,614  
1,883,578  
1,883,579  
1,883,580  
1,883,581  
1,884,963  
1,884,966  
1,884,967  
1,884,968  
1,887,117  
1,908,417  
2,007,359  
2,035,042  
2,093,573  
2,131,545  
2,133,601  
2,211,042  
2,212,914  
2,262,310

# **PATENTS, TRADEMARKS AND COPYRIGHTS SECURITY AGREEMENT**

**INTERSTATE PACKAGING CORP.**, with its principal place of business at 12025 Tricon Road, Cincinnati, Ohio 45246 ("Debtor"), for valuable consideration, receipt of which hereby is acknowledged, hereby transfers, assigns and pledges to **THE PROVIDENT BANK**, as Agent for the Lenders ("Agent") under the Loan & Security Agreement among Debtor, Agent, and the other Borrowers and Lenders identified therein dated as of even date herewith (the "Loan Agreement"), and enter into this Patents, Trademarks and Copyrights Security Agreement (the "Agreement") and grants to Agent, a security interest in all of Debtor's right, title and interest in, to and under the following collateral, whether now existing or hereafter arising or acquired (the "Collateral"):

1. all trademarks, trade names, corporate names, fictitious names, trade styles, service marks, logos, commercial symbols, prints and labels on which any of the foregoing have appeared, now appear or hereafter appear, designs and the good will and general intangibles of like nature relating thereto, now existing or hereafter adopted or acquired, and all registrations and recordings thereof, and all applications in connection therewith, including, without limitation, applications, registrations and recordings in the United States Patent and Trademark Office or in any other office or agency of the United States or any State thereof, or any other country or any political subdivision thereof, including, but not limited to, those described in Schedule A hereto, and all renewals thereof and all licenses thereof (whether as licensor or licensee) and other agreements and/or rights of any kind relating thereto (all of the foregoing being herein referred to as the "Trademarks");
2. all letters patent of the United States or of any other country, and all registrations and recordings thereof, and all applications for letters patent of the United States or any other country, including, without limitation, applications, registrations and recordings in the United States Patent and Trademark Office or in any other office or agency of the United States or any State thereof or of any other country, including but not limited to, those described in Schedule B hereto, and all inventions, reissues, re-examinations, divisions, improvements, continuations, continuations-in-part or extensions thereof and all licenses thereof (whether as licensor or licensee) and other agreements and/or rights of any kind relating thereto (all of the foregoing being herein referred to as the "Patents");
3. all copyrights, whether registered or not, of the United States or any other country, and all registrations and recordings thereof, and all applications in connection therewith, including, without limitation, applications, registrations and recordings in the United States Copyright Office or in any other office or agency of the United States or any State thereof or of any other country, including but not limited to, those described in Schedule C hereto, and all variations, adaptations, derivatives, renewals thereof and all licenses thereof (whether as licensor or licensee) and other agreements and/or rights of any kind relating thereto (all of the foregoing being herein referred to as the "Copyrights");

4. all rights to sue and other claims for past, present and future infringements of any of such Trademarks, Patents and Copyrights or dilution thereof, or for injury to the good will associated therewith;
5. all income, damages and other amounts payable of any kind under or with respect to any of the foregoing, including, without limitation, royalty fees, proceeds of infringement suits and other amounts of any kind; and
6. all proceeds and products of the foregoing, in whatever form the same may be,

for the purpose of securing the payment and performance of all of the following ("Obligations"): all Loans and all other debts, obligations, or liabilities of every kind and description of Debtor or any other Borrower to Agent, any of Lender's Affiliates, and/or any or all of Lenders, now due or to become due, direct or indirect, absolute or contingent, presently existing or hereafter arising, joint or several, secured or unsecured, whether for payment or performance, regardless of how the same arise or by what instrument, agreement or book account they may be evidenced, or whether evidenced by any instrument, agreement or book account, including, without limitation, all loans (including any loan by renewal or extension), all overdrafts, all guarantees, all bankers acceptances, all agreements, all letters of credit issued by Agent, Lenders, or any of Lender's Affiliates for Debtor or any other Borrower and the applications relating thereto, including without limitation all obligations under any reimbursement agreement related thereto, all indebtedness of Debtor or any other Borrower to Agent, any of Lender's Affiliates, and/or any or all of the Lenders, all undertakings to take or refrain from taking any action and all indebtedness, liabilities and obligations owing from Debtor or any other Borrower to others which Agent, any of Lender's Affiliates, and/or any or all of the Lenders may obtain by purchase, negotiation, discount, assignment or otherwise. Obligations shall also include all interest and other charges chargeable to Debtor or any other Borrower or due from Debtor or any other Borrower to Agent, any of Lender's Affiliates, and/or any or all of Lenders from time to time and all costs and expenses referred to in Section 13 of the Loan Agreement. Obligations shall also include all loans, advances, debts, liabilities, obligations, covenants and duties owing to Agent, any of Lender's Affiliates, and/or any or all of Lenders from Debtor or any other Borrower of any kind or nature, present or future, whether or not evidenced by any note, guaranty or other instrument, including but not limited to those arising under: (i) any International Swaps and Derivatives Association Master Agreement ("Master Agreement"), and including each Transaction (as such term is defined in the Master Agreement), as confirmed in the applicable confirmation of each such Transaction, (ii) any obligation of Debtor or any other Borrower to Agent, Lender's Affiliate, or any Lender under any other interest rate swap, cap, collar, floor, option, forward, or other type of interest rate protection, foreign exchange or derivative transaction agreement, all undertakings to take or refrain from taking any action and all indebtedness, liabilities and obligations owing from Debtor or any other Borrower to others which Agent, any Lender, or any Lender's Affiliate may obtain by purchase, negotiation, discount, assignment or otherwise.

Capitalized terms used herein will be given the definitions set forth in the Loan Agreement.

1. **Representations and Warranties.** Debtor represents and warrants as follows:
  - 1.1 Each of the Trademarks, Patents and Copyrights is valid, enforceable and subsisting;
  - 1.2 The Schedules hereto are true and complete lists of all Collateral as of the date hereof.
  - 1.3 This Agreement creates a legal and valid lien on the Collateral, enforceable against Debtor and all third parties.
  - 1.4 This Agreement does not violate and is not in contravention of any other agreement to which Debtor is a party or any judgment or decree by which Debtor is bound and does not require any consent under any other agreement to which Debtor is a party or by which Debtor is bound.
  - 1.5 Debtor has the requisite corporate power and authority to execute, deliver and perform this Agreement, and this Agreement is the legal, valid and binding obligation of Debtor, enforceable in accordance with its terms.
  - 1.6 Debtor is the sole and exclusive owner of and has good and marketable title to the Collateral; none of the Collateral is subject to any mortgage, pledge, lien, security interest, lease, charge, setoff, defense, claim, license, shop right, work for hire claims, covenant not to sue, or other encumbrance, except the liens in favor of Agent; and there are no legal actions, administrative proceedings or claims pending or threatened relating to any of the Collateral.
  - 1.7 In the five years preceding the date hereof, Debtor has not conducted business under any name other than its current name nor maintained any place of business or any assets in any jurisdiction other than as set forth on the Disclosure Schedule.

2. **Covenants.** Debtor covenants and agrees as follows:

- 2.1 Anything herein to the contrary notwithstanding, Debtor will remain liable under the Collateral to observe and perform all the conditions and obligations to be observed and performed by Debtor thereunder, all in accordance with and pursuant to the terms and provisions thereof. Agent will have no obligation or liability under any of the Collateral by reason of or arising out of this Agreement or the receipt by Agent of any payment relating to any of the Collateral pursuant hereto, nor will Agent be required or obligated in any manner to perform or fulfill any of the obligations of Debtor under or pursuant to any of the Collateral, or to make any payment, or to make any inquiry as to the nature or the sufficiency of any payment received by Debtor or the sufficiency of any performance by any party under any of the Collateral, or to present or file any claim, or to take any action to collect or enforce any performance or the payment of any amounts which may have been assigned to Debtor or to which it may be entitled at any time or times.

- 2.2 Debtor will furnish to Agent from time to time, and not less frequently than upon each anniversary of execution of this Agreement, statements and schedules identifying and describing any change, including but not limited to additions and/or deletions in the Collateral, and such other reports in connection with the Collateral as Agent may reasonably request, all in reasonable detail.
- 2.3 Debtor (either itself or through its licensees) will: (a) continue to properly use and maintain each Trademark that is material to Debtor's business in full force and free from any claim of abandonment for non-use, (b) maintain, as in the past, the quality of products and services offered under such Trademark, (c) employ such Trademark with the appropriate notice of application or registration, and (d) not, and not permit any licensee or sublicensee thereof to, do any act or knowingly omit to do any act whereby such Trademark may become invalidated.
- 2.4 Debtor will not do any act, or omit to do any act, whereby any Patent or Copyright may become abandoned, part of the public domain or otherwise unenforceable.
- 2.5 Debtor will notify Agent immediately if Debtor knows or has reason to know that any application or registration relating to any Patent, Copyright or Trademark may become abandoned or otherwise unenforceable, or of any adverse determination or development, including but not by way of limitation, the institution of, or any such determination or development in, any proceeding in the United States Patent and Trademark Office or Copyright Office or any court, regarding the ownership of any part of the Collateral, its right to register the same, or to keep, use, enforce and/or maintain the same.
- 2.6 If at any time after the date of this Agreement, Debtor obtains rights to any new or additional Collateral, or becomes entitled to the benefit of any application or registration for any re-issue, division, re-examination, continuation-in-part, continuation, renewal or extension of any Collateral or any improvements, adaptations or derivations on any Collateral, the provisions of this Agreement will automatically apply thereto and Debtor will give to Agent prompt written notice thereof. Debtor authorizes Agent to modify this Agreement by adding from time to time a Schedule D, which Schedule D will include any such future Collateral and applications, and Debtor will execute and deliver to Agent from time to time such supplemental assignments or other instruments as Agent may desire for the purpose of confirming and perfecting Agent's interest in such Collateral. In no event will Debtor, either itself or through any agent, employee, licensee or designee, file an application for the issuance of any Patent or the registration of any Trademark with the United States Patent and Trademark Office, or for any Copyright registration with the United States Copyright Office, or any office or agency of the United States or any State thereof or of any other country or any political subdivision thereof, unless it promptly informs Agent, and, upon request of Agent, executes and delivers any and all agreements, instruments, documents, and papers as Agent may request to evidence and perfect Agent's security interest in such Collateral for which registration has been applied and the good will and

other intellectual property and related general intangibles of Debtor relating thereto or represented thereby, and Debtor hereby constitutes Agent as its attorney-in-fact to execute and file all such writings for the foregoing purposes, all acts of such attorney being hereby ratified and confirmed; such power being coupled with an interest and irrevocable until the Obligations are indefeasibly paid in full and this Agreement is terminated.

- 2.7 Debtor will take all necessary steps, including, without limitation, in any proceeding before the United States Patent and Trademark Office, the United States Copyright Office or any appropriate office or agency in any state or in any other country or any political subdivision thereof, to maintain and pursue each application (and to obtain the relevant registration) and to maintain each registration of the Collateral, including, without limitation, filing of applications for renewal, affidavits of use, affidavits of incontestability and opposition, interference and cancellation proceedings.
- 2.8 If any of the Collateral is infringed, misappropriated, diluted or otherwise used or returned without authorization by a third party, Debtor will promptly notify Agent after Debtor learns thereof and will take such actions as Agent will reasonably deem appropriate under the circumstances to protect such Collateral.
- 2.9 Debtor, at its sole cost and expense, will (a) appear in and defend any action arising out of, or in any manner connected with, any of the Collateral or the obligations or liabilities of Debtor thereunder, (b) continue to use consistent standards of quality in its manufacture of products sold under the Collateral and will allow Agent by its agents to inspect such products and quality control records relating thereto to ensure Debtor's compliance with such quality standards, and (c) allow Agent by its agents reasonable access to the books and records of Debtor relating to the Collateral.
- 2.10 Debtor will not (a) sell, assign, pledge or otherwise transfer or encumber all or any part of its interest in any of the Collateral, (b) grant any license under any of the Collateral (other than licenses to marketing and distribution agents in the ordinary course of business consistent with past practices), or (c) enter into any agreement which is inconsistent with Debtor's obligations under this Agreement.

3. **Payment of Expenses by Agent.** At its option, Agent or Lenders may discharge taxes, liens, security interests or such other encumbrances as may attach to the Collateral, may pay for the maintenance and preservation of the Collateral, as reasonably determined by Agent to be necessary. Debtor will reimburse Agent on demand for any payment so made or any expense incurred by Agent or Lenders pursuant to the foregoing authorization, and the Collateral also will secure any advances or payments so made or expenses so incurred by Agent or Lenders.

4. **Collections.** After the occurrence of an Event of Default, as defined below, if directed by Agent, whenever Debtor receives any payment with respect to any of the Collateral it will hold such payment in trust for Agent and forthwith will deliver to Agent the same in the



form received by Debtor without commingling with any funds belonging to Debtor, and promptly will deposit the same in a special collateral account with Agent.

5. **Notification of Third Parties.** Agent, at any time after the occurrence of an Event of Default, and without notice to Debtor, may notify any persons who are indebted to Debtor with respect to any Collateral of the assignment thereof to Agent and may direct such persons to make payment directly to Agent of the amounts due. At the request of Agent after the occurrence of an Event of Default, Debtor will direct any persons who are indebted to Debtor with respect to any Collateral to make payment directly to Agent. Agent is authorized to give receipts to such persons for any such payments and such persons will be protected in making such payments to Agent.
6. **Further Assurances.** At the request of Agent, Debtor will join with Agent in executing one or more financing statements pursuant to the Uniform Commercial Code in form satisfactory to Agent and will pay the cost of filing this Agreement and all financing, continuation and termination statements in all public offices where filing is deemed necessary or desirable by Agent. Debtor will execute and deliver to Agent from time to time such further documents, supplemental assignments or other instruments, and take all further actions as Agent may consider necessary or desirable to create, perfect, confirm, preserve, continue or validate Agent's interest in the Collateral or to enable Agent to exercise or enforce its rights with respect to such interest. Debtor hereby authorizes Agent to execute and file on behalf of Debtor all financing statements and documents deemed necessary or appropriate to perfect Agent's interest in the Collateral.
7. **Receivers.** Upon or at any time after the occurrence of an Event of Default, Agent may request the appointment of a receiver of the Collateral. Such appointment may be made without notice, and without regard to (i) the solvency or insolvency, at the time of application for such receiver, of the person or persons, if any, liable for the payment of the Obligations; and (ii) the value of the Collateral at such time. Such receiver will have the power to take possession, control and care of the Collateral and to collect all accounts resulting therefrom. Notwithstanding the appointment of any receiver, trustee, or other custodian, Agent will be entitled to the possession and control of any cash, or other instruments at the time held by, or payable or deliverable under the terms of this Security Agreement to Agent.
8. **Default.**
  - 8.1 Upon the occurrence of (herein referred to as an "Event of Default"): (i) any Event of Default as defined in any of the documents evidencing any of the Obligations, or (ii) any default under any of such documents that do not have a defined set of "Events of Default," Agent may, or that the request of the Majority Lenders, will exercise any one or more of the rights and remedies granted pursuant to this Agreement or given to a secured party under applicable law, as it may be amended from time to time, including but not limited to the right to take possession and sell, lease or otherwise dispose of the Collateral and, at its option, operate, use or exercise any rights of ownership pertaining to the Collateral as Agent deems necessary to preserve the value and receive the benefits of the

Collateral. Upon the occurrence of an Event of Default, Agent may, so far as Debtor can give authority therefor, enter upon any premises on which the Collateral or any part thereof may be situated and take possession of and remove the same therefrom. Agent may require Debtor to make the Collateral available to Agent at a place to be designated by Agent that is reasonably convenient to both parties.

8.2 Debtor further agrees that, in the event of any disposition of the Collateral upon an Event of Default, Debtor will duly execute, acknowledge and deliver all documents necessary or advisable to record title to the Collateral in any transferee or transferees thereof, including, without limitation, valid, recordable assignments of registrations and/or applications for registration of all Trademarks, Copyrights and Patents. Debtor hereby irrevocably appoints Agent as its attorney-in-fact, with full power of substitution, to execute, deliver, and record such documents on Debtor's behalf upon the occurrence of an Event of Default. For the purposes of enabling Agent to exercise its rights and remedies upon an Event of Default, Debtor hereby grants to Agent an irrevocable, non-exclusive license (exercisable without payment of royalty or other compensation to Debtor) to use, assign, license or sublicense any of the Collateral, now owned or hereafter acquired by Debtor, and wherever the same may be located.

8.3 The net proceeds arising from the disposition of the Collateral after deducting expenses incurred by Agent or Lenders will be applied to the Obligations in the order determined by Agent. If any excess remains after the discharge of all of the Obligations, the same will be paid to Debtor or as required by law. If after exhausting all of the Collateral, there should be a deficiency, Debtor will be liable therefor to Agent and Lenders; provided, however, that nothing contained herein will obligate Agent to proceed against the Collateral prior to making a claim against Debtor or any other party obligated under the Obligations or prior to proceeding against any other collateral for the Obligations.

8.4 Whenever notice is required by law to be sent by Agent to Debtor of any sale, lease or other disposition of the Collateral, five days written notice sent to Debtor's address set forth herein for notices will be reasonable.

8.5 The rights and remedies provided herein are cumulative and are not exclusive of any other rights or remedies provided by applicable law.

9. **Enforcement Actions.** Agent may, but will in no way be obligated to, bring suit in its own name to enforce the Collateral and any license thereunder. If Agent elects to bring any such suit in its own name, Debtor will at the request of Agent do any and all lawful acts and execute any and all proper documents required by Agent in aid of such enforcement and Debtor will promptly, upon demand, reimburse and indemnify Agent and Lenders for all costs and expenses incurred by either of them in the exercise of rights under this Section.

10. **Obligations, Indemnifications, and Expenses.** If Debtor fails to comply with any of its obligations hereunder, Agent may, but will not be obligated to, do so at the expense of Debtor. To the extent that Agent or Lenders incur any costs or expenses in protecting or enforcing its rights in the Collateral or observing or performing any of the conditions or obligations of Debtor hereunder, including but not limited to reasonable attorneys' fees and the costs and expenses of litigation, such costs and expenses will be due on demand, will be included in the indebtedness secured hereby and will bear interest from the incurring or payment thereof at the highest Default Rate as defined in any of the Obligations. Debtor will indemnify and hold Agent and Lenders harmless against (a) all expenses, liabilities, losses and damages that Agent or Lenders may incur under the Collateral or under or by reason of this Agreement, and (b) all claims and demands whatsoever that may be asserted against Agent or Lenders by reason of this Agreement or any act of Agent or Lenders under this Agreement or under any of the Collateral.

11. **Agent's Power of Attorney.** Debtor hereby irrevocably constitutes and appoints Agent, and any officer thereof, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of Debtor or in its name, from time to time in Agent's discretion for the purpose of carrying out the terms of this Agreement, to take any and all appropriate action and to execute any and all documents and instruments which may be necessary or desirable to accomplish the purposes of this Agreement and, without limiting the generality of the foregoing, Debtor hereby gives Agent the power and right, on behalf of Debtor, either before or after an Event of Default, and without notice to or assert by Debtor, to do the following:

- 11.1 to receive payment of, endorse, and receipt for, any and all monies, claims and other amounts due and to become due at any time in respect of or arising out of the Collateral;
- 11.2 to commence and prosecute any suits, actions or proceeding at law or in equity in any court of competent jurisdiction to collect any of the Collateral and to enforce any other right in respect of the Collateral;
- 11.3 to settle, compromise or adjust any suit, action or proceeding described above, and, in connection therewith, to give such discharges or releases as Agent may deem appropriate; and
- 11.4 generally to sell, transfer, pledge, make any agreement with respect to or otherwise deal with any of the Collateral as fully and completely as though Agent were the absolute owner thereof for all purposes, and to do, at Agent's option, at any time, or from time to time, all acts and things which Agent deems necessary to protect or preserve the Collateral and Agent's security interest and rights therein in order to effect the intent of this Agreement, all as fully and effectively as Debtor might do.

Debtor hereby ratifies all that such attorneys will lawfully do or cause to be done by virtue hereof. This power of attorney is a power coupled with an interest, will be irrevocable and will terminate only upon payment in full of the Obligations and the

termination of all financing arrangements relating thereto and this Agreement. The powers conferred upon Agent hereunder are solely to protect Agent's interests in the Collateral and will not impose any duty upon it to exercise any such powers. Agent will have no obligation to preserve any rights of any third parties in the Collateral or to perform any duties or obligations of any Debtor under or with respect to any of the Collateral. Agent will be accountable only for amounts that it actually receives as a result of the exercise of such powers, and neither it, any of its affiliates nor any of its agents will be responsible to Debtor for any action taken or omitted to be taken in good faith or in reliance on the advice of counsel except for its own gross negligence or willful misconduct.

## 12. General.

12.1 Waiver. No delay or omission on the part of Agent to exercise any right or power arising from any default or Event of Default will impair any such right or power or be considered a waiver of any such right or power or a waiver of any such default or Event of Default or an acquiescence therein nor will the action or non-action of Agent in case of such Default or Event of Default impair any right or power arising as a result thereof or affect any subsequent default or any other default of the same or a different nature.

12.2 Notices. All notices, demands, requests, consents, approvals and other communications required hereunder will be given in the manner set forth in the Loan Agreement to the Debtor as Borrower thereunder and the Agent as Agent thereunder.

12.3 Successors and Assigns. This Agreement will be binding upon and inure to the benefit of Debtor, Agent, Lenders, and the other Borrowers, and their respective successors and assigns; provided, however, that Debtor may not assign this Agreement in whole or in part without the prior written consent of Agent, and Agent at any time may assign this Agreement in whole or in part. All references herein to "Debtor" and "Agent" will be deemed to apply to Debtor and Agent and their respective heirs, administrators, successors and assigns.

12.4 Modifications. No modification or waiver of any provision of this Agreement nor consent to any departure by Debtor therefrom, will be established by conduct, custom, or course of dealing; and no modification, waiver or consent will in any event be effective unless the same is in writing and specifically refers to this Agreement, and then such waiver or consent will be effective only in the specific instance and for the purpose for which given. No notice to or demand on Debtor in any case will entitle Debtor to any other or further notice or demand in the same, similar or other circumstance.

12.5 Joint and Several Obligations. If this Security Agreement is executed by one or more person or entity as the "Debtor," the obligations of such persons or entities will be joint and several. Unless otherwise specified herein, any reference to

"Debtor" will mean each such person or entity executing this Security Agreement individually and all of such persons or entities collectively.

- 12.6 Illegality.** If fulfillment of any provision hereof or any transaction related hereto or of any provision of this Agreement, at the time performance of such provision is due, involves transcending the limit of validity prescribed by law, then ipso facto, the obligation to be fulfilled will be reduced to the limit of such validity.
- 12.7 Gender, etc.** Whenever used herein, the singular number will include the plural, the plural the singular and the use of the masculine, feminine or neuter gender will include all genders.
- 12.8 Headings.** The headings in this Agreement are for convenience only and will not limit or otherwise affect any of the terms hereof.
- 12.9 Counterparts.** This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed will be deemed to be an original and all of which taken together will constitute one and the same agreement. Any party so executing this Agreement by facsimile transmission shall promptly deliver a manually executed counterpart, provided that any failure to do so shall not affect the validity of the counterpart executed by facsimile transmission.
- 12.10 Release.** Agent will provide Debtor with documentation sufficient to release Agent's interest in the Collateral upon payment in full of the Obligations.
- 12.11 Governing Law and Jurisdiction; No Jury Trial.** THIS AGREEMENT WILL BE INTERPRETED AND THE RIGHTS AND LIABILITIES OF THE PARTIES HERETO DETERMINED IN ACCORDANCE WITH THE LAWS OF THE STATE OF OHIO, WITHOUT REGARD TO ITS CONFLICTS OF LAWS PRINCIPLES, AND DEBTOR AND BORROWERS HEREBY AGREE TO THE JURISDICTION OF ANY STATE OR FEDERAL COURT LOCATED WITHIN HAMILTON COUNTY, OHIO OR ORANGE COUNTY, NEW YORK, AND CONSENT THAT ALL SERVICE OF PROCESS BE MADE BY CERTIFIED MAIL DIRECTED TO DEBTOR AT ITS ADDRESS SET FORTH HEREIN FOR NOTICES AND SERVICE SO MADE WILL BE DEEMED TO BE COMPLETED FIVE (5) BUSINESS DAYS AFTER THE SAME HAS BEEN DEPOSITED IN U.S. MAILED, POSTAGE PREPAID; PROVIDED THAT NOTHING CONTAINED HEREIN WILL PREVENT AGENT FROM BRINGING ANY ACTION OR EXERCISING ANY RIGHTS AGAINST ANY SECURITY OR AGAINST DEBTOR INDIVIDUALLY, OR AGAINST ANY PROPERTY OF DEBTOR, WITHIN ANY OTHER STATE OR NATION. DEBTOR AND BORROWERS WAIVE ANY OBJECTION BASED ON FORUM NON CONVENIENS AND ANY OBJECTION TO VENUE OF ANY ACTION INSTITUTED HEREUNDER. DEBTOR, BORROWERS AND AGENT EACH WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION

OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY TRANSACTION CONTEMPLATED IN THIS AGREEMENT.

Signed as of June 23, 2000.

DEBTOR:

INTERSTATE PACKAGING CORP.

By: [Signature]  
Print Name: John Baumann  
Title: Pres. / CEO

AGENT:

THE PROVIDENT BANK

By: [Signature]  
Print Name: Donald U. Luthman  
Title: Senior Vice President

STATE OF OHIO  
COUNTY OF HAMILTON

SS.

The foregoing instrument was acknowledged before me this June 21, 2000 by Donald U. Luthman, the duly authorized Senior Vice President of **THE PROVIDENT BANK**, an Ohio banking corporation, on behalf of the corporation.

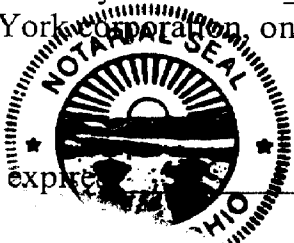


[Signature]  
MICHAEL JOHN O'GRADY, ~~Attorney at Law~~ Notary Public, State of Ohio  
My Commission has no expiration date.  
Section 147.03

STATE OF OHIO  
COUNTY OF HAMILTON

SS.

The foregoing instrument was acknowledged before me this June 21, 2000 by John Baumann, the duly authorized \_\_\_\_\_ of **INTERSTATE PACKAGING CORP.**, a New York corporation, on behalf of the corporation.



[Signature]  
MICHAEL JOHN O'GRADY, ~~Attorney at Law~~ Notary Public, State of Ohio  
My Commission has no expiration date.  
Section 147.03

My commission expires \_\_\_\_\_

# SCHEDULE A

## Trademarks

### Issued Trademarks of Interstate Packing Corp.:

U.S. REGISTRATION NO.	ISSUE DATE	MARK
1,754,665	2/23/93 (Supplemental)*	LINDSAY
1,879,726	2/21/95	QUEEN
1,879,733	2/21/95	SENIOR
1,879,734	2/21/95	MIMI
1,880,606	2/28/95	ESCORT
1,880,614	2/28/95	VOGUE
1,887,117	4/4/95	INTERSTATE BAG
1,908,417	8/1/95	CUB
2,007,359	10/15/96	DEBBIE
2,035,042	2/4/97	HANDLER
2,131,545	1/27/98	JUMBO
2,133,601	2/3/98	ELF
2,211,042	12/15/98	SPIRIT**
2,212,914	12/22/98	ROSE
2,262,310	7/20/99	CLASSIC

\*Application Filed 8/18/99 (Serial No. 75/777,549) to register on Principal Register (still pending).

\*\*License Agreement which grants Phoenix Recycling, Inc. in Pawleys Island, South Carolina, a perpetual exclusive, paid-up trademark license under the mark SPIRIT for use on trash, kitchen, lawn and leaf, seal and lock, and cat box liner bags for retail sale, with no reservation to the licensor (Interstate) to use the mark SPIRIT on the aforesaid goods. The license will include a quality control provision so as not to adversely affect the mark.

### Issued Trademarks of Omni:

U.S. REGISTRATION NO.	ISSUE DATE	MARK
1,883,578	3/14/95	OMNI BAKER
1,883,579	3/14/95	OMNI CLASSIC
1,883,580	3/14/95	OMNI QUEEN
1,883,581	3/14/95	OMNI JUMBO
1,884,963	3/21/95	OMNI HANDLER
1,884,966	3/21/95	OMNI ESCORT
1,884,967	3/21/95	OMNI VOGUE
1,884,968	3/21/95	OMNI SENIOR
2,093,573	9/2/97	OMNI

# SCHEDULE B

## Patents

### Issued:

U.S. Patent No. 4,691,369, issued September 1, 1987

U.S. Patent No. 4,481,668, issued November 6, 1984

### Pending:

Serial No.

Filing Date



# **SCHEDULE C**

## **Copyrights**

Copyright No.

# **SCHEDULE D**

## **Additional Collateral**

780279.03