

01-16-2001

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U.S. DEPARTMENT OF COMMERCE
PATENT AND TRADEMARK OFFICE



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To the Honorable Commissioner of P.

Attached original document(s) or cop(ies).

Submission Type

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

MRO
1-2-01

Conveyance Type

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



01-02-2001

U.S. Patent & TMO/TM Mail Rpt Dt. #39

Conveying Party

Mark if additional names of conveying parties attached

Name: Garden State Paper Company, L.L.C.

Formerly _____

- Individual
- General Partnership
- Limited Partnership
- Corporation
- Association
- Other _____
- Citizenship/State of Incorporation/Organization United States/Delaware

Receiving Party

Mark if additional names of receiving parties attached

Name: Citibank, N.A.

Address (line 1) Two Penns Way, Suite 200

Address (line 2) New Castle Delaware 19720
City State/Country Zip Code

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

Citizenship/State of Incorporation/Organization United States/Delaware

Domestic Representative Name and Address

Enter for the first Receiving Party only.

Name _____

Address (line 1) _____

Correspondent Name and Address

Area Code and Telephone Number (713) 221-1529

Name: Mark A. Tidwell

Address (line 1) Bracewell & Patterson, L.L.P.

Address (line 2) 711 Louisiana, Suite 2900, Houston, TX 77002

Pages Enter the total number of pages of the attached conveyance document including any attachments 4

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

Mark if additional numbers attached

Either enter the Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers)

Trademark Application Number (s) _____
Registration Number(s) 1,348,613; 1,348,614

Number of Properties Enter the total number of properties involved. 2

Fee Amount for Properties Listed (37 CFR 3.41): \$80.00

Fee Amount

Method of Payment: Enclosed Deposit Account Authorization to charge additional fees: Yes No
Deposit Account Number-enter for payment by deposit account or if additional fees can be charged to the account 50-0259

Statement and Signature

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

MARK TIDWELL

Signature

12/28/00
Date Signed

Name of Person Signing

01/12/2001 DNGUYEN 00000274 1348613

01 FC:481
02 FC:482
03 FC:998

40.00 DP
25.00 DP
15.00 DP

WMA\016951\000166
HOUSTON\1201856.1
12/28/00--3:01 PM

TRADEMARK
REEL: 002212 FRAME: 0096

SECURITY AGREEMENT

This Security Agreement dated as of December 19, 2000 ("Security Agreement") is between Garden State Paper Company, LLC, a Delaware limited liability company (the "Debtor"), and Citibank, N.A., as Collateral Agent for the Banks and the Administrative Parties.

INTRODUCTION

A. The Debtor has entered into a Credit Agreement dated as of December 19, 2000 (as amended, modified, supplemented or restated from time to time, the "Credit Agreement"; terms defined in the Credit Agreement and not defined herein are used herein as therein defined) among the Debtor, the Banks, Citibank, N.A., as Paying Agent, Issuing Bank and Collateral Agent, and Citibank, N.A. and The Chase Manhattan Bank, as Co-Administrative Agents. As used herein, the term "Administrative Parties" means the Paying Agent, the Collateral Agent, the Issuing Bank, the Co-Arrangers and the Co-Administrative Agents, and the term "Credit Parties" means the Banks and the Administrative Parties.

B. Under the Credit Agreement, it is a condition to the making of the Advances and the issuance of the Letters of Credit that the Debtor shall secure its obligations under the Loan Documents by entering into this Security Agreement.

Therefore, the Debtor hereby agrees with the Collateral Agent for its benefit and the benefit of the other Credit Parties as follows:

Section 1. Definitions. Any terms used in this Security Agreement that are defined in the Uniform Commercial Code as in effect on the date hereof in the State of New Jersey ("UCC") and are not defined herein or in the Credit Agreement shall have the meanings assigned to those terms by the UCC.

Section 2. Security Interest.

2.01. Grant of Security Interest. The Debtor hereby grants to the Collateral Agent for the ratable benefit of the Credit Parties a security interest in the Collateral (as defined in Section 2.02 below) to secure the performance and payment of all Obligations now or hereafter existing whether for principal, interest, Letter of Credit reimbursement obligations, fees, expenses, indemnities or otherwise.

2.02. Collateral. "Collateral" shall mean all assets and property of the Debtor (whether now owned or hereafter created or acquired or arising), including, without limitation, all of Debtor's right, title, and interest in the following, whether now owned or hereafter created or acquired or arising:

(a) Accounts. All accounts, documents, instruments, chattel paper and general intangibles (each as defined in Article 9 of the UCC), including, without limitation, all accounts receivable, contract rights, book debts, notes, drafts, and other obligations or indebtedness owing to Debtor arising from the sale, lease, or exchange of goods or other property or the performance of services (all such accounts, documents, instruments, general intangibles and chattel paper being the "Accounts");

(b) Inventory. All inventory (as defined in Article 9 of the UCC) wherever located, including, without limitation, finished goods, raw materials, work in process, and all other personal property

of every kind and description held for sale, rental or lease or held to be furnished under contracts for services (including, without limitation, old newsprint and new newsprint), or held for use in the processing, packaging, delivery, or shipping of such property, inventory in joint production with another Person, inventory in which Debtor has an interest as consignee and goods which are returned to or repossessed by the Debtor or stopped in transit by the Debtor, and other materials and supplies (including, without limitation, packaging and shipping materials) used or consumed in the manufacture or production thereof (all such inventory being the "Inventory");

(c) Equipment. All equipment (as defined in Article 9 of the UCC), machinery, furniture, fixtures and motor vehicles, and all parts thereof and all accessions and additions thereto (all such equipment, machinery, furniture, fixtures, motor vehicles, parts, accessions and additions being the "Equipment");

(d) General Intangibles. All general intangibles (as defined in Article 9 of the UCC), including, without limitation, all computer programs and data, leases, licenses, membership interests, franchises, claims and causes of action against others and tax refunds;

(e) Trade Secrets. All trade secrets, sales and marketing literature, customer lists, sales orders, secret processes, inventions, discoveries, improvements, processes, technology, know how, formulas, drawings, specifications, plans, and all other proprietary, technical and other information and intellectual property, whether patentable or unpatentable, registered, or unregistered, including, without limitation, those items enumerated in Schedule 2.02(e) attached hereto (collectively, the "Trade Secrets");

(f) Trademarks. All trademarks, trademark registrations, tradenames, service marks, logos, prints and labels on which any of the foregoing appear, and trademark applications, including, without limitation, the trademarks listed on Schedule 2.02(f) attached hereto, and (i) all renewals, reissues or extensions thereof, (ii) all income, royalties, damages and payments now and hereafter due or payable with respect thereto, including, without limitation, damages and payments for past or future infringements thereof, (iii) the right to sue for past, present and future infringements thereof, and (iv) all rights corresponding thereto throughout the world (collectively, the "Trademarks");

(g) Patents. All patents and patent applications in the United States or any other country, issued or pending, together with (i) all reissues, divisions, continuations, renewals, extensions, and continuations-in-part thereof, (ii) all income, royalties, shop rights, damages and payments thereto, (iii) the right to sue for past, present and future infringements thereof, and (iv) all rights corresponding thereto throughout the world (collectively, the "Patents");

(h) Licenses. All rights to use Trademarks, Patents, or inventions subject to a Patent, including, without limitation, the licenses listed on the attached Schedule 2.02(h) (the "Licenses");

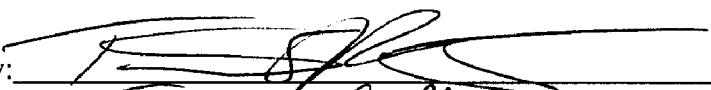
(i) Bank Accounts. All bank accounts maintained by the Debtor with any of the Banks or any other financial institution, including, without limitation, any bank account with a financial institution which has executed and delivered a letter in substantially the form of Exhibit A attached hereto (a "Bank Letter");

(j) All Equity Interests;

The parties hereto have caused this Security Agreement to be duly executed as of the date first above written.

DEBTOR:


GARDEN STATE PAPER COMPANY, LLC

By: 
Name: Timothy Proffitt
Title: _____

JTC

COLLATERAL AGENT

Citibank, N.A., as Collateral Agent

By: 
Name: Steve Baillie
Title: Attorney-in-fact

SCHEDULE 2.02(f)
to Security Agreement

TRADEMARKS

U.S. Trademark Registrations:

<u>Name:</u>	<u>Registration No.:</u>	<u>Expiration:</u>
GSP plus design	1,348,613	July 2005
GSP	1,348,614	July 2005