

07-05-2001

Form PTO-1594 (Rev. 03/01) OMB No. 0651-0027 (exp. 5/31/2002) Tab settings



101767445

U.S. DEPARTMENT OF COMMERCE U.S. Patent and Trademark Office (61034-011)

To the Honorable Commissioner of Pa

original documents or copy thereof.

1. Name of conveying party(ies):

PCL Packaging, Inc.

- Individual(s) Association General Partnership Limited Partnership Corporation-State Delaware Other

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

2. Name and address of receiving party(ies)

Name: DGJ, L.L.C.

Internal

Address:

Street Address: 600 Central Ave., Suite 262 Highland

City: Park State: IL Zip: 60035

- Individual(s) citizenship Association General Partnership Limited Partnership Corporation-State Other limited liability company

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

3. Nature of conveyance:

- Assignment Merger Security Agreement Change of Name Other

Execution Date: June 15, 2001

4. Application number(s) or registration number(s):

A. Trademark Application No.(s)

B. Trademark Registration No.(s)

1,694,457

Handwritten: MUD 6/25/01

Additional number(s) attached Yes No

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

Name: John G. Bisbikis

Internal Address: McDermott, Will & Emery

Street Address: 227 West Monroe Street

Suite 4400

City: Chicago State: IL Zip: 60606

6. Total number of applications and registrations involved:

1

7. Total fee (37 CFR 3.41): \$ 40.00

- Enclosed Authorized to be charged to deposit account

8. Deposit account number:

13-0206

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

DO NOT USE THIS SPACE

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.

John G. Bisbikis

Name of Person Signing

Handwritten Signature: John G. Bisbikis

Signature

Handwritten Date: 6/21/01

Date

Total number of pages including cover sheet, attachments, and document: 14

Mail documents to be recorded with required cover sheet information to: Commissioner of Patent & Trademarks, Box Assignments Washington, D.C. 20231

07/03/2001 10:58:11 AM 00000174 130206 1694457

01 FC:481 40.00 04

TRADEMARK REEL: 002323 FRAME: 0527

SECURITY AGREEMENT

This Security Agreement (this "Agreement"), dated as of June 15, 2001, entered into by and between PCL Packaging, Inc., a Delaware corporation (the "Grantor"), and DGJ, L.L.C., a Delaware limited liability company (the "Secured Party"),

WITNESSETH THAT:

WHEREAS, the Grantor has executed and delivered a Promissory Note, dated the date hereof (as amended, supplemented, or otherwise modified from time to time, the "Note") pursuant to which the Secured Party has agreed to make loans to the Grantor in an aggregate principal amount not to exceed \$5,595,888 and

WHEREAS, the obligation of the Secured Party to make loans to Grantor pursuant to the Note is conditioned upon the execution and delivery by the Grantor of this Agreement to secure (a) the due and punctual payment by the Grantor of (i) the principal of and premium, if any, and interest (including interest accruing under the terms of the Note during the pendency of any bankruptcy, insolvency, receivership, or other similar proceeding, regardless of whether allowed or allowable in such proceeding) on the loans, when and as due, whether at maturity, by acceleration, upon one or more dates set for prepayment or otherwise and (ii) all other monetary obligations, including fees, costs, expenses, and indemnities, whether primary, secondary, direct, contingent, fixed, or otherwise (including monetary obligations incurred during the pendency of any bankruptcy, insolvency, receivership, or other similar proceeding, regardless of whether allowed or allowable in such proceeding), of the Grantor to the Secured Party under the Note and (b) all damages (whether provided for in the Note or otherwise permitted by law) in respect of a failure or refusal by the Grantor to pay or perform as required under the Note (all the monetary and other obligations described in the preceding clauses (a) and (b), whether now or hereafter existing, being collectively called the "Obligations").

NOW, THEREFORE, in consideration of the premises and for other valuable consideration, the receipt and sufficiency of which the parties hereto hereby acknowledge, the Grantor and the Secured Party (and each of their respective successors or assigns) hereby agree as follows:

ARTICLE I

Definitions

SECTION 1.01. Definition of Certain Terms Used Herein. As used herein, the following terms shall have the following meanings:

"Collateral" shall mean the equipment and items of intellectual property described in Exhibit A hereto, along with the Proceeds of the same.

"Debtor" shall mean BPI Packaging Technologies, Inc., a Delaware corporation.

"Obligations" shall have the meaning assigned to such term in the preliminary statement of this Agreement.

"Proceeds" shall mean any consideration received from the sale, exchange, license, lease or other disposition of any asset or property that constitutes Collateral, any value received as a consequence of the possession of any Collateral and any payment received from any insurer or other Person or entity as a result of the destruction, loss, theft, damage or other involuntary conversion of whatever nature of any asset or property which constitutes Collateral, and shall include, (a) any claim of the Grantor against any third party for (and the right to sue and recover for and the rights to damages or profits due or accrued arising out of or in connection with) (i) past, present or future infringement of any patent comprising a part of the Collateral, (ii) past, present or future infringement or dilution of any trademark comprising a part of the Collateral or injury to the goodwill associated with or symbolized by any such trademark, and (iii) past, present or future breach of any license of any patent or trademark comprising a part of the Collateral and (b) any and all other amounts from time to time paid or payable under or in connection with any of the Collateral.

"Public Sale" shall mean the continued public sale pursuant to Article 9 of the UCC conducted by LaSalle Business Credit, Inc. and the Secured Party, as the case may be, at the offices of LaSalle Business Credit, Inc. on June 15, 2001, beginning at 2:00 p.m. Central Daylight Savings Time, with respect to the assets used in the Business.

"Secured Party" shall have the meaning provided in the Preamble and any successors and assigns thereto.

"Security Interest" shall have the meaning assigned to such term in Section 2.01.

"UCC" shall mean the Uniform Commercial Code in effect in the State of Illinois.

ARTICLE II

Security Interest

SECTION 2.01. Security Interest. As security for the payment or performance, as the case may be, in full of the Obligations, the Grantor hereby grants to the Secured Party, its successors and assigns, security interests and liens in, all of the Grantor's right, title, and interest in, to, and under the Collateral (the "Security Interest"). Without limiting the foregoing, the Secured Party is hereby authorized to file one or more financing statements (including fixture filings), continuation statements, filings with the United States Patent and Trademark Office or United States Copyright Office (or any successor office or any similar office in any other country) or other documents as are reasonably necessary for the purpose of perfecting, confirming, continuing, enforcing, or protecting the Security Interest granted by the Grantor, without the signature of the Grantor, and naming the Grantor as debtor and the Secured Party as secured party.

SECTION 2.02. No Assumption of Liability. The Security Interest is granted as security only and shall not subject the Secured Party to, or in any way alter or modify, any obligation or liability of the Grantor with respect to or arising out of the Collateral.

ARTICLE III

Representations and Warranties

The Grantor represents and warrants to the Secured Party that:

SECTION 3.01. Title and Authority. The Grantor has full corporate power and authority to grant to the Secured Party the Security Interest in the Collateral pursuant hereto and to execute, deliver, and perform its obligations in accordance with the terms of this Agreement, without the consent or approval of any other Person other than any consent or approval which has been obtained and is in full force and effect.

SECTION 3.02. Filings.

(a) Fully executed UCC financing statements (including fixture filings, as applicable) or other appropriate filings, recordings, or registrations containing a description of the Collateral have been delivered to the Secured Party for filing in each governmental, municipal, or other office required under the UCC, which are all the filings, recordings, and registrations (other than filings required to be made in the United States Patent and Trademark Office and the United States Copyright Office in order to perfect the Security Interest in Collateral consisting of United States patents and trademarks) that are necessary to publish notice of and protect the validity of and to establish a legal, valid and perfected security interest in favor of the Secured Party in respect of all Collateral in which the Security Interest may be perfected by filing, recording, or registration in the United States (or any political subdivision thereof) and its territories and possessions, and no further or subsequent filing, refile, recording, rerecording, registration, or reregistration is necessary in any such jurisdiction, except as provided under applicable law with respect to the filing of continuation statements.

(b) The Grantor represents and warrants that fully executed security agreements in the form hereof (or other appropriate documentation) and containing a description of all Collateral consisting of United States patents and United States registered trademarks have been delivered to the Secured Party for recording in the United States Patent and Trademark 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 Secured Party in respect of all Collateral consisting of patents and trademarks in which a security interest may be perfected by filing, recording, or registration in the United States (or any political subdivision thereof) and its territories and possessions, and no further or subsequent filing, refile, recording, rerecording, registration, or reregistration is necessary (other than such actions as are necessary to perfect the Security Interest with respect to any Collateral consisting of patents and trademarks (or registration or application for registration thereof) acquired or developed after the date hereof).

SECTION 3.03. Validity of Security Interest. The Security Interest constitutes (a) a legal and valid security interest in all the Collateral securing the payment and performance of the Obligations, (b) subject to the completion of the filings described in Section 3.02 above, a perfected security interest in all Collateral in which a security interest may be perfected by filing, recording, or registering a financing statement or analogous document in the United States (or any political subdivision thereof) and its territories and possessions pursuant to the UCC or other applicable law in such jurisdictions, and (c) a security interest that shall be perfected in all Collateral in which a security interest may be perfected upon the receipt and recording of this Agreement (or other appropriate documentation) with the United States Patent and Trademark Office, within the three month period (commencing as of the date hereof) pursuant to 35 U.S.C. § 261 or 15 U.S.C. § 1060 or the one month period (commencing as of the date hereof) pursuant to 17 U.S.C. § 205 and otherwise as may be required pursuant to the laws of any other necessary jurisdiction. The Security Interest is and shall be prior to any other lien on any of the Collateral.

SECTION 3.04. Absence of Other Liens. The Collateral is owned by the Grantor free and clear of any lien, other than the lien in favor of Bank of America (the "BoFA Lien"), which lien is subordinate to the Security Interest pursuant to the terms of an Inter-creditor Agreement of even date herewith. Except with respect to the BoFA Lien, the Grantor has not filed or consented to the filing of (a) any financing statement or analogous document under the UCC or any other applicable laws covering any Collateral, (b) any assignment in which the Grantor assigns any Collateral or any security agreement or similar instrument covering any Collateral with the United States Patent and Trademark Office, or (c) any assignment in which the Grantor assigns any Collateral or any security agreement or similar instrument covering any Collateral with any foreign governmental, municipal, or other office, which financing statement or analogous document, assignment, security agreement, or similar instrument is still in effect.

ARTICLE IV

Covenants

SECTION 4.01. Change of Name; Location of Collateral; Records; Place of Business.

(a) The Grantor agrees promptly to notify the Secured Party in writing but in no event later than 30 days after such change, of any change (i) in its legal name or in any trade name used to identify it in the conduct of its business or in the ownership of its properties, (ii) in the location of its chief executive office, its principal place of business, any office in which it maintains books or records relating to Collateral owned by it or any office or facility at which Collateral owned by it is located (including the establishment of any such new office or facility), (iii) in its partnership, corporate, or other organizational structure, or (iv) in its Federal Taxpayer Identification Number. The Grantor agrees not to effect or permit any change referred to in the preceding sentence unless all filings have been made under the UCC or otherwise that are required in order for the Secured Party to continue at all times following such change to have a valid, legal, and perfected first priority security interest in all the Collateral. The Grantor agrees promptly to notify the Secured Party if any material portion of the Collateral owned or held by the Grantor is damaged or destroyed.

(b) The Grantor agrees to maintain, at its own cost and expense, such complete and accurate records with respect to the Collateral owned by it as is consistent with its current practices and in accordance with such prudent and standard practices used in industries that are the same as or similar to those in which the Grantor is engaged, but in any event to include complete accounting records indicating all payments and proceeds received with respect to any part of the Collateral, and, at such time or times as the Secured Party may reasonably request, promptly to prepare and deliver to the Secured Party a duly certified schedule or schedules in form and detail reasonably satisfactory to the Secured Party showing the identity, amount, and location of any and all Collateral.

(c) Notwithstanding anything to the contrary herein contained, the Grantor shall have the right to sell portions of the equipment comprising a part of the Collateral that are not necessary for the Grantor's continued operations to third parties in one or more arm's length transactions and on commercially reasonable terms. The Secured Party shall release its Security Interest with respect to such equipment upon payment to the Secured Party of one hundred percent (100%) of the proceeds of such sale, which payment shall be deemed to be a partial repayment of the Note.

SECTION 4.02. Protection of Security. The Grantor shall, at its own cost and expense, take any and all actions necessary to defend title to the Collateral against all Persons and to defend the Security Interest of the Secured Party in the Collateral and the priority thereof against any lien, other than the BofA Lien.

SECTION 4.03. Further Assurances. The Grantor agrees, at its own expense, to execute, acknowledge, deliver, and cause to be duly filed all such further instruments and documents and take all such actions as the Secured Party may from time to time reasonably request to better assure, preserve, protect, and perfect the Security Interest and the rights and remedies created hereby, including the payment of any fees and taxes required in connection with the execution and delivery of this Agreement, the granting of the Security Interest and the filing of any financing statements (including fixture filings) or other documents in connection herewith or therewith, provided, however, that the Grantor may contest any fees and taxes by proper proceedings diligently pursued to completion. 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 forthwith pledged and delivered to the Secured Party, duly endorsed in a manner reasonably satisfactory to the Secured Party.

SECTION 4.04. Taxes; Encumbrances. At its option, the Secured Party may discharge past due taxes, assessments, charges, fees, liens, security interests, or other encumbrances at any time levied or placed on the Collateral and may pay for the maintenance and preservation of the Collateral to the extent the Grantor fails to do so as required by this Agreement or other agreements, and the Grantor agrees to reimburse the Secured Party on demand for any payment made or any reasonable expense incurred by the Secured Party pursuant to the foregoing authorization; provided, however, that nothing in this Section 4.04 shall be interpreted as excusing the Grantor from the performance of, or imposing any obligation on the Secured Party to cure or perform, any covenants or other promises of the Grantor with respect to taxes, assessments, charges, fees, liens, security interests, or other encumbrances.

SECTION 4.05. Continuing Obligations of the Grantor. The Grantor shall remain liable to observe and perform, in all material respects, all the conditions and obligations to be observed and performed by it under each material contract, agreement, or instrument relating to the Collateral, all in accordance with the terms and conditions thereof, and the Grantor agrees to indemnify and hold harmless the Secured Party from and against any and all liability for any failure in such performance.

SECTION 4.06. Legend. The Grantor shall legend, in form and manner reasonably satisfactory to the Secured Party, its Accounts Receivable that are a part of the Collateral and its books, records, and documents evidencing or pertaining thereto with an appropriate reference to the fact that such Accounts Receivable have been collaterally assigned to and for the benefit of the Secured Party and that the Secured Party has a security interest therein.

ARTICLE V

Remedies

SECTION 5.01. Remedies upon Default.

Upon the occurrence and during the continuance of an Event of Default (as defined in the Note), the Grantor agrees to deliver each item of Collateral to the Secured Party forthwith on demand, and it is agreed that the Secured Party shall have the right to take any of or all the following actions at the same or different times (subject to any mandatory requirements of law that cannot be waived by contract): (a) with respect to any Collateral consisting of patents or trademarks, on demand, to cause the Security Interest to become an assignment, transfer, and conveyance of any of or all such Collateral by the Grantor to the Secured Party, and (b) with or without legal process and with or without prior notice or demand for performance, to take possession of the Collateral and without liability for trespass to enter any premises owned or leased by the Grantor where the Collateral may be located for the purpose of taking possession of or removing the Collateral and, generally, to exercise any and all rights afforded to a secured party under the UCC or other applicable law. Without limiting the generality of the foregoing, the Grantor agrees that the Secured Party shall have the right, subject to the mandatory requirements of applicable law, to sell or otherwise dispose of all or any part of the Collateral, at public or private sale or at any broker's board or on any securities exchange, for cash, upon credit, or for future delivery, as the Secured Party shall deem appropriate. Upon consummation of any such sale the Secured Party shall have the right to assign, transfer, and deliver to the purchaser or purchasers thereof the Collateral so sold. Each such purchaser at any such sale shall hold the property sold absolutely, free from any claim or right on the part of the Grantor, and the Grantor hereby waives (to the extent permitted by law) all rights of redemption, stay, and appraisal that the Grantor now has or may at any time in the future have under any rule of law or statute now existing or hereafter enacted.

The Secured Party shall give the Grantor ten (10) days written notice (which the Grantor agrees is reasonable notice within the meaning of Section 9-504(3) of the UCC) of the Secured Party's intention to make any sale of Collateral. Such notice, in the case of a public sale, shall state the time and place for such sale and, in the case of a sale at a broker's board or on a securities

exchange, shall state the board or exchange at which such sale is to be made and the day on which the Collateral, or portion thereof, will first be offered for sale at such board or exchange. Any such public sale shall be held at such time or times within ordinary business hours and at such place or places as the Secured Party may fix and state in the notice (if any) of such sale. At any such sale, the Collateral, or portion thereof, to be sold may be sold in one lot as an entirety or in separate parcels, as the Secured Party may (in its sole and absolute discretion) determine. The Secured Party shall not be obligated to make any sale of any Collateral if it shall determine not to do so, regardless of the fact that notice of sale of such Collateral shall have been given. The Secured Party may, without notice or publication, adjourn any public or private sale or cause the same to be adjourned from time to time by announcement at the time and place fixed for sale, and such sale may, without further notice, be made at the time and place to which the same was so adjourned. In case any sale of all or any part of the Collateral is made on credit or for future delivery, the Collateral so sold may be retained by the Secured Party until the sale price is paid by the purchaser or purchasers thereof, but the Secured Party shall not incur any liability in case any such purchaser or purchasers shall fail to take up and pay for the Collateral so sold and, in case of any such failure, such Collateral may be sold again upon like notice. For purposes hereof, a written agreement to purchase the Collateral or any portion thereof shall be treated as a sale thereof; the Secured Party shall be free to carry out such sale pursuant to such agreement and the Grantor shall not be entitled to the return of the Collateral or any portion thereof subject thereto, notwithstanding the fact that after the Secured Party shall have entered into such an agreement all Events of Default under the Note shall have been remedied and the Obligations paid in full. As an alternative to exercising the power of sale herein conferred upon it, the Secured Party may proceed by a suit or suits at law or in equity to foreclose this Agreement and to sell the Collateral or any portion thereof pursuant to a judgment or decree of a court or courts having competent jurisdiction or pursuant to a proceeding by a court-appointed receiver.

SECTION 5.02. Application of Proceeds. The Secured Party shall apply promptly the proceeds of any collection or sale of the Collateral, as well as any Collateral consisting of cash, as follows:

FIRST, to the payment of all reasonable costs and expenses incurred by the Secured Party in connection with such collection or sale or otherwise in connection with this Agreement, the Note, or any of the Obligations, including all court costs and the reasonable fees and expenses of its agents and legal counsel, the repayment of all advances made by the Secured Party hereunder or under any the Note on behalf of the Grantor and any other reasonable costs or expenses incurred in connection with the exercise of any right or remedy this Agreement or the Note;

SECOND, to the payment in full of the Obligations; and

THIRD, to the Grantor, its successors or assigns, or such other party legally entitled thereto as a court of competent jurisdiction may otherwise direct.

The Secured Party shall have absolute discretion as to time of application of any such proceeds, monies, or balances in accordance with this Agreement. Upon any sale of the Collateral by the Secured Party (including pursuant to a power of sale granted by statute or under a judicial proceeding), the receipt of the Secured Party or of the officer making the sale shall be a sufficient

discharge to the purchaser or purchasers of the Collateral so sold and such purchaser or purchasers shall not be obligated to see to the application of any part of the purchase money paid over to the Secured Party or such officer or be answerable in any way for the misapplication thereof.

ARTICLE VI

Miscellaneous

SECTION 6.01. Survival of Agreement. All covenants, agreements, representations, and warranties made by the Grantor herein and in the certificates or other instruments prepared or delivered in connection with or pursuant to this Agreement shall be considered to have been relied upon by the Secured Party, and shall survive the making by the Secured Party of the loans under the Note, and shall continue in full force and effect until the Obligations are paid in full.

SECTION 6.02. Binding Effect; Several Agreement. This Agreement shall become effective as to the Grantor when a counterpart hereof executed on behalf of the Grantor shall have been delivered to the Secured Party and a counterpart hereof shall have been executed on behalf of the Secured Party, and thereafter shall be binding upon the Grantor and the Secured Party, and their respective successors and assigns, and shall inure to the benefit of the Grantor, the Secured Party and their respective successors and assigns, except that neither the Grantor nor the Secured Party shall have any right to assign, delegate, or transfer its rights or obligations hereunder or any interest herein or in the Collateral (and any such assignment, delegation, or transfer shall be void) except as expressly contemplated by this Agreement.

SECTION 6.03. Successors and Assigns. Whenever in this Agreement any of the parties hereto is referred to, such reference shall be deemed to include the successors and assigns of such party; and all covenants, promises, and agreements by or on behalf of the Grantor or the Secured Party that are contained in this Agreement shall bind and inure to the benefit of their respective successors and assigns.

SECTION 6.04. Fees and Expenses; Indemnification.

(a) The Grantor agrees to pay upon demand to the Secured Party the amount of any and all reasonable expenses, including the reasonable fees, disbursements, and other charges of its counsel and of any experts or agents, which the Secured Party may reasonably incur in connection with (i) the custody or preservation of, or the sale of, collection from, or other realization upon any of the Collateral, (ii) the exercise, enforcement, or protection of any of the rights of the Secured Party hereunder, or (iii) the failure of the Grantor to perform or observe any of the provisions hereof.

(b) The Grantor agrees to indemnify the Secured Party against, and hold it harmless from, any and all losses, claims, damages, liabilities, and related expenses, including reasonable fees, disbursements, and other charges of counsel, incurred by or asserted against it or any of its officers, directors, employees, or agents arising out of, in any way connected with, or as a result of, the execution, delivery, or performance of this Agreement or any claim, litigation, investigation or proceeding relating hereto or to the Collateral, whether or not the Secured Party is a party thereto; provided that such indemnity shall not, as to any indemnitee, be available to the extent

that such losses, claims, damages, liabilities, or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the negligence or willful misconduct of the Secured Party.

(c) Any such amounts payable as provided hereunder shall constitute additional Obligations secured hereby. The provisions of this Section 7.04 shall remain operative and in full force and effect regardless of the termination of this Agreement and the payment of the Note in full in cash, the consummation of the transactions contemplated hereby, the repayment of any of the loans under the Note, the invalidity or unenforceability of any term or provision of this Agreement or the Note, or any investigation made by or on behalf of the Secured Party. All amounts due under this Section 7.04 shall be payable on written demand therefor.

SECTION 6.05. GOVERNING LAW. THIS AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF ILLINOIS.

SECTION 6.06. WAIVER OF JURY TRIAL. THE GRANTOR HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR THE NOTE.

SECTION 6.07. Severability. In the event any one or more of the provisions contained in this Agreement should be held invalid, illegal, or unenforceable in any respect, the validity, legality, and enforceability of the remaining provisions contained herein 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).


SECTION 6.08. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall constitute an original but all of which when taken together shall constitute but one contract. Delivery of an executed signature page to this Agreement by facsimile transmission shall be effective as delivery of a manually executed counterpart hereof.

SECTION 6.09. Headings. Article and Section headings used herein are for the purpose of reference only, are not part of this Agreement, and are not to affect the construction of, or to be taken into consideration in interpreting, this Agreement.

SECTION 6.10. Termination. This Agreement and the Security Interest shall terminate when all the Obligations have been indefeasibly paid in full and the Secured Party has no further commitment to lend under the Note, at which time the Secured Party shall execute and deliver to the Grantor, at the Grantor' expense, all UCC termination statements and similar documents which the Grantor shall reasonably request to evidence such termination. Any execution and delivery of termination statements or documents pursuant to this Section 7.10 shall be without recourse to or warranty by the Secured Party.

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

PCL PACKAGING, INC.
as Grantor

By: 
Name: R BRUCE WATTLE
Title: *Secretary*

DGJ, L.L.C.
as Secured Party

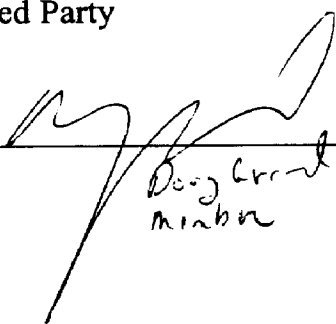
By: 
Name: Doug Grant
Title: *member*

EXHIBIT A

U.S. PATENTS

<u>Title</u>	<u>Inventor</u>	<u>Patent</u>
Method of Making a Bag Pack	M. Snowden J. Shapiro	4,877,473
Bag Dispensing System	R. Wile 2/9/93	5,184,728
Bag Dispensing System	R. Wile 7/26/94	5,332,097
Bag Dispensing System	R. Wile	
Bagging System	R. Wile 11/21/95 L. Cole	5,457,572
Bag Dispensing System	R. Wile	5,562,213

U.S. PATENT & TRADEMARK OFFICE

System and Rack 10 8 96

Displaying System R. Wile 5,524,763
for T-shirt Type Bags
6/11/96

Bag Dispensing R. Wile 5,577,615
System 11/26/96
G. Cuvar
L. York, Jr

U.S. PATENT APPLICATIONS

None.

U.S. REGISTERED TRADEMARKS AND SERVICE MARKS

<u>Mark</u>	<u>Date</u> <u>Class(es)</u> <u>Issued</u>	<u>Reg. #</u>
FRESH-SAC	6/16/92	1,694,457

II. U.S. TRADEMARK AND SERVICE MARK APPLICATIONS

None.

A Partnership Including
Professional Corporations
227 West Monroe Street
Chicago, IL 60606-5096
312-372-2000
Facsimile 312-984-7700
www.mwe.com

John G. Bisbikis
Attorney at Law
jbisbikis@mwe.com
312-984-3612

Boston
Chicago
London
Los Angeles
Miami
Moscow
New York
Orange County
St. Petersburg
Silicon Valley
Vilnius
Washington, D.C.

MCDERMOTT, WILL & EMERY

June 21, 2001

Assistant Commissioner of Patents and Trademarks
BOX ASSIGNMENTS
Washington, D.C. 20231

Re: Recordation of Trademark Security Agreement
Applicant: DGJ, L.L.C.
Our Reference No. 61034-011

Dear Sir/Madam:

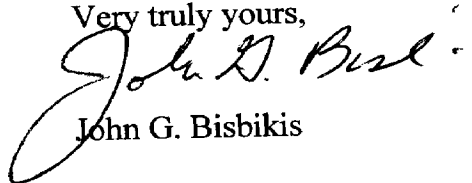
Enclosed please find the following:

1. Trademark Recordation Form Cover Sheet, in duplicate;
2. Executed Security Agreement; and
3. A return-addressed, postage-paid postcard.

The fee of \$40.00, plus any other necessary fees, should be charged to our Deposit Account No. 13-0206. Two copies of this letter are enclosed as authorization.

Please direct all correspondence and any telephone inquiries to the undersigned attorney for Applicant.

Very truly yours,


John G. Bisbikis

JGB:lap
Enclosures

cc: David C. Christian II

CHI99 3736881-1.061034.0011

CERTIFICATE OF MAILING

I hereby certify that this correspondence is being deposited with the United States Postal Service as first class mail in an envelope addressed to Assistant Commissioner for Patents, Washington, D.C. 20231 on

DATE OF DEPOSIT: 6/21/01
SIGNATURE: John G. Bisbikis
DATE OF SIGNATURE: 6/21/01

TRADEMARK
REEL: 002323 FRAME: 0541

A Partnership Including
Professional Corporations
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312-984-3612

MCDERMOTT, WILL & EMERY

June 21, 2001

Assistant Commissioner of Patents and Trademarks
BOX ASSIGNMENTS
Washington, D.C. 20231

Re: Recordation of Trademark Security Agreement
Applicant: DGJ, L.L.C.
Our Reference No. 61034-011

Dear Sir/Madam:

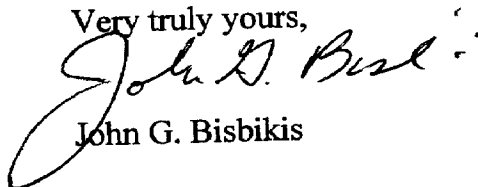
Enclosed please find the following:

1. Trademark Recordation Form Cover Sheet, in duplicate;
2. Executed Security Agreement; and
3. A return-addressed, postage-paid postcard.

The fee of \$40.00, plus any other necessary fees, should be charged to our Deposit Account No. 13-0206. Two copies of this letter are enclosed as authorization.

Please direct all correspondence and any telephone inquiries to the undersigned attorney for Applicant.

Very truly yours,


John G. Bisbikis

JGB:lap
Enclosures

cc: David C. Christian II

CHI99 3736881-1.061034.0011

CERTIFICATE OF MAILING

I hereby certify that this correspondence is being deposited with the United States Postal Service as first class mail in an envelope addressed to Assistant Commissioner for Patents, Washington, D.C. 20231 on 6/21/01
DATE OF DEPOSIT: 6/21/01
SIGNATURE: John G. Bisbikis
DATE OF SIGNATURE: 6/21/01