

SCHEDULE A

Trademarks

1. REGISTERED MARKS

<u>Mark</u>	<u>U.S. Reg. No.</u>	<u>Description of Services</u>
Xerostat	1,956,893	Thermoformed plastic packaging, namely, plastic lids, plastic packaging trays and plastic boxes, in Class 20.
Double U-Pad	2,158,228	Thermoformed plastic packaging, namely, plastic lids, plastic packaging trays, plastic end caps and plastic boxes, in Class 20.
U-Pad	2,151,860	Thermoformed plastic packaging, namely, plastic lids, plastic packaging trays, plastic end caps and plastic boxes, in Class 20.
Geo Spring	2,316,674	Plastic packaging for shipping containers, in Class 17.

2. APPLICATIONS PENDING FOR REGISTERED MARKS

<u>Mark</u>	<u>Date of Filing</u>	<u>Description of Services</u>
N/A	N/A	N/A

3. UNREGISTERED MARKS

<u>Mark</u>	<u>Description of Services</u>
N/A	N/A

4. PENDING INTERNATIONAL TRADEMARK REGISTRATIONS

<u>Mark</u>	<u>Country</u>	<u>Filing Date</u>	<u>Registration No</u>	<u>Class Description</u>
N/A	N/A	N/A	N/A	N/A



RECORDING REQUESTED BY:

MONTEREY BAY BANK
567 Auto Center Drive
Watsonville, CA 95076

**TRADEMARK, PATENT
AND LICENSE SECURITY AGREEMENT**

THIS TRADEMARK, PATENT AND LICENSE SECURITY AGREEMENT ("Agreement") dated as of **June 14, 2001** made by **Roberts, Stephens, Van Amburg, Packaging, Inc.** (the "Grantor"), having its principal place of business at **2840 Research Park Drive, Suite 100, Soquel, CA 95073** in favor of **MONTEREY BAY BANK** (the "Bank"), located at **MONTEREY BAY BANK, 567 Auto Center Drive, Watsonville, CA 95076**.

RECITALS:

A. Grantor is indebted to the Bank pursuant to a **Business Loan Agreement #1** dated **June 14, 2001** ("Loan Agreement #1"), which provides for a Revolving Line of Credit facility in the principal amount of \$1,500,000.00 evidenced, in part, by that certain **Promissory Note dated June 14, 2001 in the principal amount of \$1,500,000.00**.

B. Grantor is indebted to the Bank pursuant to a **Business Loan Agreement #2** dated **June 14, 2001** ("Loan Agreement #2"), which provides for a Term Loan Credit facility in the principal amount of \$300,000.00 evidenced, in part, by that certain **Promissory Note dated June 14, 2001 in the principal amount of \$300,000.00**.

C. The obligations of Grantor to Bank are secured by all of Grantor's right, title and interest in certain personal property collateral as provided under the Loan Agreement #1 and Loan Agreement #2.

D. Grantor has agreed, inter alia, to grant Bank a security interest in certain general intangibles including the Intellectual Property Collateral (hereinafter defined).

NOW, THEREFORE, in consideration of the premises and the mutual covenants hereinafter contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor agrees as follows:

1. Defined Terms. The following terms have the following meanings (such meanings being equally applicable to both the singular and plural forms of the terms defined):

"Agreement" means this Trademark, Patent, Copyright and License Security Agreement, as the same may from time to time be amended, modified or supplemented.

"Loan Agreement" means Loan Agreement #1 and Loan Agreement #2, individually and collectively, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for said agreement.

"Intellectual Property Collateral" has the meaning assigned to such term in Section 2 of this Agreement.

"Licenses" means license agreements granting Grantor any interest in intellectual property and any and all (i) renewals, extensions, supplements and continuations thereof, (ii) income, royalties, damages and payments now and hereafter due or payable to Grantor with respect thereto, including, without limitation, damages and payments for past or future violations or infringements thereof and (iii) rights to sue for past, present and future violations or infringements thereof.

"Patents" means patents registered in the United States or elsewhere, applications therefor and any and all (i) renewals thereof, (ii) income, royalties, damages and payments now or hereafter due or payable or both with respect thereto, including, without limitation, damages and payments for past or future infringements thereof, (iii) rights to sue for past, present, or future infringements thereof, and (iv) rights corresponding thereto throughout the world.

"Trademarks" means trademarks (including service marks and trade names, whether registered or at common law), registrations and applications therefor and any and all (i) renewals thereof, (ii) income, royalties, damages and payments now and hereafter due or payable or both with respect thereto including, without limitation, damages and payments for past or future infringements thereof, (iii) rights to sue for past, present and future infringements thereof, and (iv) rights corresponding thereto throughout the world.

The words "herein," "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole, including the Exhibits and Schedules hereto, and not to any particular section, subsection or clause contained in this Agreement.

2. Grant of Security Interest. In order to secure the complete and due and punctual payment of all of the obligations of Grantor to the Bank, Grantor hereby grants and conveys to the Bank as collateral security, a continuing security interest in all of Grantor's entire right, title and interest in and to intellectual property rights now owned or existing and hereafter acquired or arising in the following assets (all of which being hereinafter referred to as the "Intellectual Property Collateral"):

(i) all Trademarks of Grantor including, without limitation, the Trademarks listed on Schedule A hereto;

(ii) all Patents of the Grantor including, without limitation, the patents listed on Schedule B hereto;

(iii) all Licenses of Grantor including, without limitation, the Licenses listed on Schedule C hereto; and

(iv) the entire goodwill of Grantor's business connected with the use of and symbolized by the Trademarks.

provided, however, that nothing hereunder constitutes or shall be deemed to constitute the grant of a security interest in favor of the Bank with respect to any Intellectual Property Collateral to the extent prohibited by applicable law.

3. Representations and Warranties; New Intellectual Property.

(a) Grantor represents and warrants that it has the full right and power to grant the security interests provided for in this Agreement (subject to the exceptions contained herein) in the Trademarks, Patents and Licenses made hereby; that it has made no previous assignment, transfer or agreements in conflict herewith or constituting an assignment of, a transfer of or an encumbrance on any of the Trademarks, Patents and Licenses. Grantor further represents and warrants that (i) Schedules A, B and C, respectively, list all Trademarks, Patents and Licenses owned or used by Grantor and which are material to any portion of its business or any of Grantor's subsidiaries or affiliates, (ii) the Intellectual Property Collateral does not infringe upon any rights owned or possessed by any entity not a party to this Agreement and, (iii) that it has delivered copies of all Licenses owned or used by Grantor or any of Grantor's subsidiaries or affiliates. Grantor further represents that it does not own or utilize any trade secrets in connection with the operation of its business.

(b) In the event, prior to the time the obligations of Grantor to the Bank have been indefeasibly paid in full, Grantor shall (i) obtain any rights to or interests in any new inventions, whether or not patentable, or trademarks, trade names, service marks, and applications therefor, or licenses, or (ii) become entitled to the benefit of any trademark application, trademark, trademark registration or license renewal, the provisions of this Agreement shall automatically apply thereto and anything enumerated in clauses (i) or (ii) shall constitute Intellectual Property Collateral. Grantor shall give to the Bank prompt written notice thereof. Grantor agrees, promptly following the written request by the Bank, to amend this Agreement by amending any or all of Schedules A, B and C, as applicable, to include any such future trademarks, trademark registrations, trademark applications, trade names, service marks, trade secrets, patents, syndication rights, franchises and licenses which would be Intellectual Property Collateral.

4. Rights and Remedies; Application of Monies.

(a) Upon the occurrence and during the continuation of a default of any or all of Grantor's obligations to the Bank, the Bank may, to the fullest extent permitted by applicable law and without advertisement, hearing or process of law of any kind, (i) exercise any and all rights as beneficial and legal owner of the Intellectual Property Collateral, including, without limitation, any and all consensual rights and powers with respect to the Intellectual Property Collateral and (ii) sell or assign or grant a license or franchise to use, or cause to be sold or assigned or grant a license or franchise to use any or all of the Intellectual Property Collateral, in each case, free of all rights and claims of Grantor therein and thereto. Upon the occurrence and during the continuation of a default of any or all of Grantor's obligations to the Bank, the Bank may (i) sell or assign the Intellectual Property Collateral, or any part thereof, for cash or upon credit as the Bank may deem appropriate or (ii) grant licenses or franchises or both to use the Intellectual Property Collateral on such terms and conditions that the Bank shall determine. In connection therewith, the Bank shall have the right to impose such limitations and restrictions on the sale or assignment of the Intellectual Property Collateral as the Bank may deem to be necessary or appropriate to comply with any law, rule or regulation (federal, state or local) having applicability to any such sale and requirements for any necessary governmental approvals.

(b) Except as provided in this Section 4, Grantor hereby expressly waives, to the fullest extent permitted by applicable law, any and all notices, advertisements, hearings or process of law in connection with the exercise by the Bank of any of its rights and remedies hereunder. The Bank shall not be liable to any person for any incorrect or improper payment made pursuant to this Section 4, in the absence of willful misconduct.

(c) Notwithstanding any provisions of this Agreement to the contrary, if, after giving effect to any sale, transfer, assignment or other disposition of any or all of the Intellectual Property Collateral pursuant hereto and after the application of the proceeds hereunder to the obligations of Grantor to the Bank, any said obligations remain unpaid or unsatisfied, Grantor shall remain liable for the unpaid and unsatisfied amount of such remaining obligations.

(d) This Agreement is made to provide for and secure repayment of the obligations of Grantor to the Bank.

5. Termination of Security Interest. This Agreement and the security interests created or granted hereby or thereby, shall terminate when the later of the following shall have occurred: (a) the date that all of the obligations of Grantor to the Bank shall have been fully and indefeasibly paid and satisfied and (b) the date as of which the last of the commitments and related documents and instruments have terminated with respect to the Loan Agreement. After such termination, the Bank (without recourse upon, or any warranty whatsoever by, the Bank), shall execute and deliver to Grantor for filing in each office in which any security agreement, notice or other filing, or any part thereof, shall

have been filed, an instrument releasing the Bank's security interest in the Intellectual Property Collateral, and such other documents and instruments to terminate any security interest of the Bank granted hereby as the Grantor may reasonably request, all without recourse upon, or warranty whatsoever by, the Bank (except that the same shall be free and clear of any claims, liens or encumbrances created by or in respect of the Bank) and all at the cost and expense of Grantor.

6. Use and Protection of Intellectual Property Collateral. Notwithstanding anything to the contrary contained herein, unless an Event of Default has occurred and is continuing, Grantor may continue to exploit, license, franchise, use, enjoy and protect (whether in the United States of America or any foreign jurisdiction) the Intellectual Property Collateral in the ordinary course of business and the Bank shall from time to time execute and deliver, upon written request of Grantor and at Grantor's sole cost and expense, any and all instruments, certificates or other documents, in the form so requested, necessary or appropriate in the judgment of Grantor to enable Grantor to do so.

7. Duties of Grantor. Grantor shall have the duty to preserve and maintain all rights in the Intellectual Property Collateral in respect of which a failure to be able to continue to use the same would have a material adverse effect on the ownership, operation or maintenance of its business and operations, in a manner substantially consistent with its present practices and shall take all action reasonably requested by the Bank to register, record and/or perfect the Bank's right hereunder.

8. The Bank's Right to Sue. Whenever Grantor shall have defaulted in any or all of its obligations to the Bank, the Bank shall have the right, but shall in no way be obligated, to bring suit in its own name to enforce the Trademarks, Copyrights, Patents and Licenses, and, if the Bank shall commence any such suit, Grantor shall, at the request of the Bank, do any and all lawful acts and execute any and all proper documents required by the Bank in aid of such enforcement.

9. No Waiver; Cumulative Remedies. No failure on the part of the Bank to exercise, and no delay on the part of the Bank 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 by the Bank preclude any other or further exercise thereof or the exercise of any other right, power or remedy. All remedies hereunder are cumulative and are not exclusive of any other remedies that may be available to the Bank whether at law, in equity or otherwise.

10. Notices, etc. All notices or other communications hereunder shall be given to the Bank as follows:

**Monterey Bay Bank
David Porter, SVP, Director of Commercial Banking
567 Auto Center Drive
Watsonville, CA 95076**

Notices to the Grantor should be addressed to:

Roberts, Stephens, Van Amburg, Packaging, Inc.
James R. Skinner, President
2840 Research Park Drive, Suite 100
Soquel, CA 95073

11. Expenses of Collection. Grantor hereby agrees to pay all expenses of the Bank, including reasonable attorneys' fees, incurred with respect to the collection of any of the Intellectual Property Collateral and the enforcement of the rights of the Bank hereunder which expenses together with interest thereon at the rate provided in the Loan Agreement shall constitute obligations of Grantor to the Bank thereunder and, therefore, secured hereby.

12. Attorney-in-Fact. Grantor hereby irrevocably constitutes and appoints the Bank and any officer or agent thereof, with full power of substitution, as Grantor's true and lawful attorney-in-fact, for the purpose of taking such action and executing agreements, instruments and other documents, in the name of Grantor or otherwise, not inconsistent with the express provisions of this Agreement, as the Bank may deem necessary or advisable to accomplish the purposes hereof, which appointment is an agency coupled with an interest and is irrevocable until payment in full of all obligations of Grantor to the Bank.

The Bank agrees that except upon the occurrence and during the continuation of an Event of Default, it will forbear from exercising the power of attorney or any rights granted to the Bank pursuant to this Section 12.

13. Agreement Governing Law; Binding Character; Assignment. This Agreement shall be governed by and construed in accordance with the laws of the State of California, without regard to principles of conflicts of law. This Agreement shall be binding upon Grantor and the Bank and their respective successors and assigns and shall inure to the benefit of Grantor and the Bank, and their respective successors and assigns; provided, however, that Grantor may not 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 Bank. No other person (including, without limitation, any other creditor of Grantor) shall have any interest herein or any right or benefit with respect hereto and this Agreement shall not be construed so as to confer any right or benefit upon any person other than the parties to this Agreement and each of their respective successors and assigns.

14. Further Indemnification. Grantor agrees to pay, and save the Bank harmless from, any and all liabilities with respect to, or resulting from any delay in paying (other than a delay caused by the willful misconduct of the Bank), any and all excise, sales or other similar taxes which may be payable with respect to the Intellectual Property Collateral or in connection with any of the transactions contemplated by this Agreement.

15. **WAIVER OF JURY TRIAL.** GRANTOR WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, SUIT PROCEEDING OR COUNTERCLAIM OF ANY KIND ARISING OUT OF OR RELATED TO THIS AGREEMENT, THE LOAN AGREEMENT OR ANY OF THE OTHER DOCUMENTS RELATED TO THE LOAN AGREEMENT, INCLUDING, WITHOUT LIMITATION, ANY CLAIMS OR COUNTERCLAIMS GROUNDED IN CONTRACT OR TORT.

16. 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 or enforceability of such provision in any other jurisdiction.

17. Concurrently herewith, Grantor and the Bank are entering into a Commercial Security Agreement in connection with the Loan Agreement, which Commercial Security Agreement covers certain personal property assets of Grantor. In the event there is a conflict in any term, condition or provision of this Agreement with the Commercial Security Agreement as it relates to the Intellectual Property Collateral, the term, condition or provision of this Agreement, as applicable, shall control.

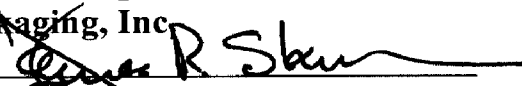
18. Headings. Paragraph and section headings used in this Agreement are for convenience of reference only and shall not affect the construction of this Agreement.

19. Execution in Counterparts. This Agreement may be executed in any number of 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 one and the same Agreement.

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

“Grantor”

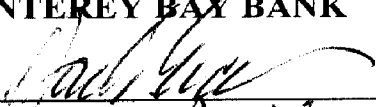
**Roberts, Stephens, Van Amburg,
Packaging, Inc**

By: 
Its: PRESIDENT

By: 
Its: TREASURER

“Bank”

MONTEREY BAY BANK

By: 
Its: Vice President

ALL-PURPOSE ACKNOWLEDGMENT



State of California }
County of SANTA CRUZ } SS.

On JUNE 15, 2001 before me, CHERI C. JOHNSON, NOTARY
(DATE) (NOTARY)
personally appeared *JAMES R. SKINNER AND JAMES VAN AMBERG**
SIGNER(S)

personally known to me - OR- proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



WITNESS my hand and official seal.

[Handwritten Signature]
NOTARY'S SIGNATURE

OPTIONAL INFORMATION

The information below is not required by law. However, it could prevent fraudulent attachment of this acknowledgment to an unauthorized document.

CAPACITY CLAIMED BY SIGNER (PRINCIPAL)

- INDIVIDUAL
- CORPORATE OFFICER

TITLE(S)

- PARTNER(S)
- ATTORNEY-IN-FACT
- TRUSTEE(S)
- GUARDIAN/CONSERVATOR
- OTHER: _____

DESCRIPTION OF ATTACHED DOCUMENT

TITLE OR TYPE OF DOCUMENT

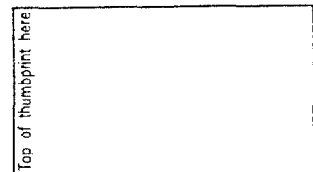
NUMBER OF PAGES

DATE OF DOCUMENT

OTHER

SIGNER IS REPRESENTING:
NAME OF PERSON(S) OR ENTITY(IES)

RIGHT THUMBPRINT
OF
SIGNER



ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of SANTA CRUZ

} SS.

On JUNE 15, 2001 before me,

(DATE)

CHERI C. JOHNSON, NOTARY

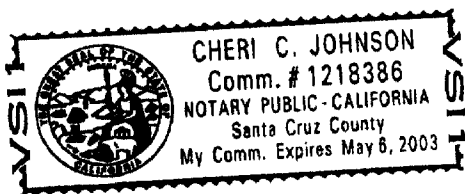
(NOTARY)

personally appeared **JACK G. EVANS**

SIGNER(S)

personally known to me - OR -

proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



WITNESS my hand and official seal.

[Handwritten Signature]

NOTARY'S SIGNATURE

OPTIONAL INFORMATION

The information below is not required by law. However, it could prevent fraudulent attachment of this acknowledgment to an unauthorized document.

CAPACITY CLAIMED BY SIGNER (PRINCIPAL)

- INDIVIDUAL
- CORPORATE OFFICER

TITLE(S)

- PARTNER(S)
- ATTORNEY-IN-FACT
- TRUSTEE(S)
- GUARDIAN/CONSERVATOR
- OTHER: _____

SIGNER IS REPRESENTING:
NAME OF PERSON(S) OR ENTITY(IES)

DESCRIPTION OF ATTACHED DOCUMENT

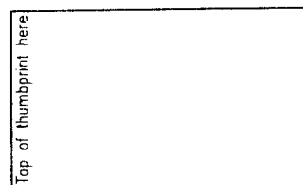
TITLE OR TYPE OF DOCUMENT

NUMBER OF PAGES

DATE OF DOCUMENT

OTHER

RIGHT THUMBPRINT
OF
SIGNER



SCHEDULE B

Patents

<u>Patent #</u>	<u>Date Of Patent</u>
5,249,685	October 5, 1993
5,131,543	July 21, 1992
5,226,543	July 13, 1993
5,385,232	January 31, 1995
6,010,007	January 4, 2000
5,799,796	September 1, 1998

SCHEDULE C

Licenses

Granted By Third
Parties In Favor of Grantor

N/A



DS

RECEIPT

Conveying Party: Roberts, Stephens, Van Amburg Packaging, Inc.

Receiving Party: Monterey Bay Bank

Type of document: Security Agreement

Date filed: July 20, 2001

Filing fee: \$115

Number of trademarks involved: 4