

12-17-2001

Form PTO-1594
(Rev. 03/01)
OMB No. 0651-0027 (exp. 5/)
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ONLY

U.S. DEPARTMENT OF COMMERCE
U.S. Patent and Trademark Office

To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

12-17-01

1. Name of conveying party(ies): 12-17-01

PCL Packaging Corporation

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

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

3. Nature of conveyance:

- Assignment Merger
- Security Agreement Change of Name
- Other _____

Execution Date: November 28, 2001

2. Name and address of receiving party(ies)

Name: The Toronto-Dominion Bank
Internal

Address: 2nd Floor, P.O. Box 22

Street Address: 50 Dunlop Street E.
Barrie, Ontario Canada L4M4T3
City: _____ State: _____ Zip: _____

- Individual(s) citizenship _____
- Association _____
- General Partnership _____
- Limited Partnership _____
- Corporation-State _____

Other Canadian Bank

If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No
(Designations must be a separate document from assignment)
Additional name(s) & address(es) attached? Yes No

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

A. Trademark Application No.(s)

B. Trademark Registration No.(s)

2319986

Additional number(s) attached Yes No

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

Name: Melissa Lopes-Paralegal

Internal Address: Paul, Hastings, Janofsky & Walker LLP

Street Address: 1055 Washington Blvd.

City: Stamford State: CT Zip: 06901

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:

(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.

Melissa Lopes
Name of Person Signing

Melissa Lopes
Signature

December 4, 2001
Date

Total number of pages including cover sheet, attachments, and document: 17

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

12/17/2001 6TOM11 00000037 2319986

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TRADEMARK
REEL: 002408 FRAME: 0290

INTELLECTUAL PROPERTY SECURITY AGREEMENT

THIS INTELLECTUAL PROPERTY SECURITY AGREEMENT, dated as of November 28, 2001, is made by EACH OF THE GRANTORS LISTED ON THE SIGNATURE PAGES HERETO AND EACH ADDITIONAL PARTY WHICH BECOMES A GRANTOR HERETO PURSUANT TO SECTION 7 HEREOF (each, a "grantor" and collectively, "Grantors"), in favor of THE TORONTO-DOMINION BANK, in its capacity Lender ("Lender").

W I T N E S S E T H:

WHEREAS, pursuant to that certain Loan Agreement dated as of the date hereof by and between PCL Packaging Corporation, an Ontario corporation, and Lender (including all annexes, exhibits and schedules thereto, as from time to time amended, restated, supplemented or otherwise modified, the "Loan Agreement"), Lender has agreed to provide Financial Services on behalf of Grantors;

WHEREAS, in order to induce Lender to enter into the Loan Agreement and other Loan Documents and to induce Lender to make the Financial Services available as provided for in the Loan Agreement, Grantors desire to grant a continuing Lien on the Collateral (as hereinafter defined) to Lender, to secure all of the Loan Obligations;

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

DEFINED TERMS. Unless otherwise defined herein, all capitalized terms used but not otherwise defined herein have the meanings given to them in Section 1.1 of the Loan Agreement.

"Copyright License" means any and all rights now owned or hereafter acquired by any Grantor under any written agreement granting any right to use any Copyright or Copyright registration.

"Copyrights" means all of the following now owned or hereafter adopted or acquired by any Grantor: (a) all copyrights and general intangibles of like nature (whether registered or unregistered), all registrations and recordings thereof, and all applications in connection therewith, including all registrations, recordings and applications in the United States Copyright Office or in any similar office or agency of the United States, any state or territory thereof, or any other country or any political subdivision thereof, and (b) all reissues, extensions or renewals thereof.

"Patent License" means rights under any written agreement now owned or hereafter acquired by any Grantor granting any right with respect to any invention on which a Patent is in existence.

"Patents" means all of the following in which any Grantor now holds or hereafter acquires any interest: (a) all letters patent of the United States or of any other country, all registrations and recordings thereof, and all applications for letters patent of the United States or

of any other country, including registrations, recordings and applications in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State, or any other country, and (b) all reissues, continuations, continuations-in-part or extensions thereof.

“Trademark License” means rights under any written agreement now owned or hereafter acquired by any Grantor granting any right to use any Trademark.

“Trademarks” means all of the following now owned or hereafter existing or adopted or acquired by any Grantor: (a) all trademarks, trade names, corporate names, business names, trade styles, service marks, logos, other source or business identifiers, prints and labels on which any of the foregoing have appeared or appear, designs and general intangibles of like nature (whether registered or unregistered), all registrations and recordings thereof, and all applications in connection therewith, including registrations, recordings and applications in the United States Patent and Trademark Office or in any similar office or agency of the United States, any state or territory thereof, or any other country or any political subdivision thereof; (b) all reissues, extensions or renewals thereof; and (c) all goodwill associated with or symbolized by any of the foregoing.

1. GRANT OF SECURITY INTEREST IN INTELLECTUAL PROPERTY COLLATERAL. To secure the complete and timely payment of all the Loan Obligations of Grantors now or hereafter existing from time to time, each Grantor hereby grants to Lender a continuing first priority security interest in all of such Grantor's right, title and interest in, to and under the following, whether presently existing or hereafter created or acquired (collectively, the “Intellectual Property Collateral”):

- (a) all of its Patents and Patent Licenses to which it is a party including those referred to on Schedule I hereto;
- (b) all of its Trademarks and Trademark Licenses to which it is a party including those referred to on Schedule II hereto;
- (c) all of its Copyrights and Copyright Licenses to which it is a party including those referred to on Schedule III hereto;
- (d) all reissues, continuations or extensions of the foregoing;
- (e) all goodwill of the business connected with the use of, and symbolized by, each Patent, each Patent License, each Trademark, each Trademark License, each Copyright and each Copyright License; and
- (f) all products and proceeds of the foregoing, including, without limitation, any claim by such Grantor against third parties for past, present or future (i) infringement or dilution of any Patent or Patent licensed under any Patent License, (ii) injury to the goodwill associated with any Patent or any Patent licensed under any Patent License, (iii) infringement or dilution of any Trademark or Trademark licensed under any Trademark License, (iv) injury to the goodwill associated with any Trademark or any Trademark licensed under any Trademark License, (v) infringement or dilution of any Copyright or Copyright licensed under any Copyright License, and (vi) injury to the

goodwill associated with any Copyright or any Copyright licensed under any Copyright License.

2. **REPRESENTATIONS AND WARRANTIES.** Each Grantor jointly and severally represents and warrants that such Grantor does not have any interest in, or title to, any Patent, Trademark or Copyright except as set forth in Schedule I, Schedule II and Schedule III, respectively, hereto. This Intellectual Property Security Agreement is effective to create a valid and continuing Lien on and, upon the filing hereof with the United States Patent and Trademark Office and the Canadian Intellectual Property Office together with payment of the appropriate filing fees, perfected security interests in favor of Agent in all of Grantors' Patents, Trademarks and Copyrights and such perfected security interests are enforceable as such as against any and all creditors of, and purchasers from, Grantors. Upon filing of this Intellectual Property Security Agreement with the United States Patent and Trademark Office and the Canadian Intellectual Property Office and the filing of appropriate financing statements pursuant to the Security Documents, together with payment of the appropriate filing fees, all action necessary or otherwise requested by Lender to protect and perfect Lender's Lien on Grantor's Patents, Trademarks and Copyrights shall have been duly taken.

3. **COVENANTS.** Each Grantor jointly and severally covenants and agrees with Lender, that from and after the date of this Intellectual Property Security Agreement and until full payment and performance of the Loan Obligations:

(a) Each Grantor shall notify Lender immediately if it knows or has reason to know that any application or registration relating to any Patent, Trademark or Copyright (now or hereafter existing) may become abandoned or dedicated, or of any adverse determination or development (including the institution of, or any such determination or development in, any proceeding in the United States Patent and Trademark Office, the United States Copyright Office or any court) regarding such Grantors ownership of any Patent, Trademark or Copyright, its right to register the same, or to keep and maintain the same.

(b) In no event shall any Grantor, either directly or through any agent, employee, licensee or designee, file an application for the registration of any Patent, Trademark or Copyright with the United States Patent and Trademark Office, the United States Copyright Office or any similar office or agency without giving Lender prompt written notice thereof, and, upon request of Lender, such Grantor shall execute and deliver a supplement hereto (in form and substance satisfactory to Lender) to evidence Lender's Lien on such Patent, Trademark or Copyright, and the general intangibles of such Grantor relating thereto or represented thereby.

(c) Each Grantor shall take all actions necessary or requested by Lender to maintain and pursue each application, to obtain the relevant registration and to maintain the registration of each of the Patents or Trademarks (now or hereafter existing), including the filing of applications for renewal, affidavits of use, affidavits of noncontestability and opposition and interference and cancellation proceedings.

(d) In the event that any of the Intellectual Property Collateral is infringed upon, or misappropriated or diluted by a third party, each Grantor shall notify

Lender promptly after such Grantor learns thereof. Each Grantor shall, unless it shall reasonably determine that such Intellectual Property Collateral is not material to the conduct of its business or operations, promptly take such actions to enforce its rights and protect such Intellectual Property Collateral, whether by action, suit, proceeding or otherwise, as Grantor shall deem necessary or appropriate under the circumstances in its reasonable business judgment.

4. **SECURITY DOCUMENTS.** The security interests granted pursuant to this Intellectual Property Security Agreement are granted in conjunction with the security interests granted to Lender pursuant to the other Security Documents. Each Grantor hereby acknowledges and affirms that the rights and remedies of Agent with respect to the security interest in the Intellectual Property Collateral made and granted hereby are more fully set forth in the Security Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein.

5. **REINSTATEMENT.** This Intellectual Property Security Agreement shall remain in full force and effect and continue to be effective should any petition be filed by or against any Grantor for liquidation or reorganization, should any Grantor become insolvent or make an assignment for the benefit of any creditor or creditors or should a receiver or trustee be appointed for all or any significant part of any Grantor's assets, and shall continue to be effective or be reinstated, as the case may be, if at any time payment and performance of the Loan Obligations, or any part thereof, is, pursuant to applicable law, rescinded or reduced in amount, or must otherwise be restored or returned by any obligee of the Loan Obligations, whether as a "voidable preference," "fraudulent conveyance," or otherwise, all as though such payment or performance had not been made. In the event that any payment, or any part thereof, is rescinded, reduced, restored or returned, the Loan Obligations shall be reinstated and deemed reduced only by such amount paid and not so rescinded, reduced, restored or returned.

6. **NOTICES.** Whenever it is provided herein that any notice, demand, request, consent, approval, declaration or other communication shall or may be given to or served upon any of the parties by any other party, or whenever any of the parties desires to give and serve upon any other party any communication with respect to this Intellectual Property Security Agreement, each such notice, demand, request, consent, approval, declaration or other communication shall be in writing and shall be given in the manner, and deemed received, as provided for in the Loan Agreement.

7. **ADDITIONAL GRANTORS.** The initial Grantors hereunder shall be those Persons as are signatories hereto on the date hereof. From time to time subsequent to the date hereof, additional Persons may become parties hereto, as additional Grantors (each, an "**Additional Grantor**"), by executing a counterpart of this Intellectual Property Security Agreement substantially in the form of **Exhibit A** attached hereto. Upon delivery of any such counterpart to Lender, notice of which is hereby waived by the Grantors, each Additional Grantor shall be a Grantor and shall be as fully a party hereto as if such Additional Grantor were an original signatory hereto. Each Grantor expressly agrees that its obligations arising hereunder shall not be affected or diminished by the addition or release of any other Grantor hereunder nor by any election of Lender not to cause any Person to become an Additional Grantor hereunder. This Intellectual Property Security Agreement shall be fully effective as to any Grantor that is or


becomes a party hereto regardless of whether any other Person becomes or fails to become or ceases to be a Grantor hereunder.

8. TERMINATION OF THIS SECURITY AGREEMENT. Subject to Section 6 hereof, this Intellectual Property Security Agreement shall terminate upon payment in full and performance of the Loan Obligations.


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IN WITNESS WHEREOF, each Grantor has caused this Intellectual Property Security Agreement to be executed and delivered by its duly authorized officer as of the date first set forth above.

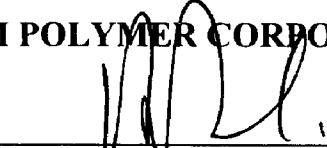
PCL PACKAGING CORPORATION

By: 
Name: Bruce Waite
Title:

PCL PACKAGING, INC.

By: 
Name: Bruce Waite
Title:

GEM POLYMER CORPORATION

By: 
Name: Kim Aggaard
Title:

ACCEPTED and ACKNOWLEDGED by:

THE TORONTO-DOMINION BANK, as Lender

By: _____
Name:
Title:

On this 28 day of November, 2001 before me personally appeared Bruce Waite, proved to me on the basis of satisfactory evidence to be the person who executed the foregoing instrument on behalf of PCL Packaging, Inc., who being by me duly sworn did depose and say that he is an authorized officer of said corporation, that the said instrument was signed on behalf of said corporation as authorized by its Board of Directors and that he acknowledged said instrument to be the free act and deed of said corporation.

Estelle Richmond
Notary Public

{seal}


On this 28 day of November, 2001 before me personally appeared Kim Aagaard, proved to me on the basis of satisfactory evidence to be the person who executed the foregoing instrument on behalf of Gem Polymer Corporation, who being by me duly sworn did depose and say that he is an authorized officer of said corporation, that the said instrument was signed on behalf of said corporation as authorized by its Board of Directors and that he acknowledged said instrument to be the free act and deed of said corporation.

Stella Richmond
Notary Public


{seal}

IN WITNESS WHEREOF, each Grantor has caused this Intellectual Property Security Agreement to be executed and delivered by its duly authorized officer as of the date first set forth above.

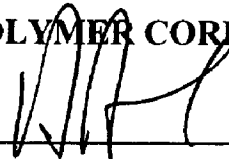
PCL PACKAGING CORPORATION

By: 
Name: _____
Title: _____

PCL PACKAGING, INC.


By: 
Name: _____
Title: _____

GEM POLYMER CORPORATION

By: 
Name: _____
Title: _____

ACCEPTED and ACKNOWLEDGED by:

THE TORONTO-DOMINION BANK, as Lender

By: 
Name: *Christine Hoffer*
Title: *Relationship Manager*

On this 26 day of NOVEMBER, 2001 before me personally appeared CHRISTINE HOFER, proved to me on the basis of satisfactory evidence to be the person who executed the foregoing instrument on behalf of The Toronto-Dominion Bank, who being by me duly sworn did depose and say that he is an authorized officer of said bank, that the said instrument was signed on behalf of said bank as authorized by its Board of Directors and that he acknowledged said instrument to be the free act and deed of said corporation.



Notary Public

{seal}

SCHEDULE I
to
INTELLECTUAL PROPERTY SECURITY AGREEMENT

I. PATENT REGISTRATIONS

<u>Grantor</u>	<u>Patent</u>	<u>Reg. No.</u>	<u>Date</u>
PCL Packaging, Inc.	METHOD OF MAKING A BAG PACK	U.S. Patent No. 4,877,473 to Snowdon et al.	Filed February 16, 1988, issued October 31, 1989
PCL Packaging, Inc.	BAG DISPENSING SYSTEM	U.S. Patent No. 5,184,728 to Wile	Filed December 20, 1991, issued February 9, 1993
PCL Packaging, Inc.	BAG DISPENSING SYSTEM	U.S. Patent No. 5,332,097 to Wile	Filed December 15, 1992, issued July 26, 1994
PCL Packaging, Inc.	BAGGING SYSTEM	U.S. Patent No. 5,467,572 to Wile et al.	Filed April 1, 1992, issued November 21, 1995
PCL Packaging, Inc.	BAG DISPENSING SYSTEM AND RACK	U.S. Patent No. 5,562,213 to Wile	Filed August 11, 1994, issued October 8, 1996
PCL Packaging, Inc.	DISPENSING SYSTEM FOR T-SHIRT TYPE BAGS	U.S. Patent No. 5,524,763 to Wile	Filed April 28, 1995, issued June 11, 1996
PCL Packaging, Inc.	BAG DISPENSING SYSTEM	U.S. Patent No. 5,577,615 to Wile et al.	Filed August 1, 1995, issued November 26, 1996

II. PATENT APPLICATIONS

<u>Grantor</u>	<u>Patent</u>	<u>Application No.</u>	<u>Date</u>
Gem Polymer Corporation	SUPPORT MATERIAL FOR THE PREPARATION OF FOODSTUFFS	U.S. Patent Application No. 09/289,379	Filed April 12, 1999
Gem Polymer Corporation	SUPPORT MATERIAL FOR THE PREPARATION OF FOODSTUFFS	U.S. Patent Application No. 09/396,416	Filed September 15, 1999
Gem Polymer Corporation	SUPPORT MATERIAL FOR THE PREPARATION OF FOODSTUFFS	U.S. Patent Application No. 09/497,130	Filed February 3, 2000
PCL Packaging Corporation	BAG DISPENSING SYSTEM	Canadian Application No. 2,094,382	Filed on []

III. PATENT LICENSES

<u>Grantor</u>	<u>Name of Agreement</u>	<u>Date of Agreement</u>	<u>Parties</u>
PCL Packaging Corporation of BAG CONSTRUCTION AND BAG PACK UTILIZING THE SAME, Canadian Patent No. 1310217			PCL Packaging Corporation and Trinity Paper & Plastics Corporation, USA
PCL Packaging Corporation of BAG CONSTRUCTION AND BAG PACK UTILIZING THE SAME, Canadian Patent No. 1295295			PCL Packaging Corporation and Trinity Paper & Plastics Corporation, USA

SCHEDULE II
to
INTELLECTUAL PROPERTY SECURITY AGREEMENT

I. TRADEMARK REGISTRATIONS

<u>Grantor</u>	<u>Mark</u>	<u>Reg. No.</u>	<u>Date</u>
PCL Packaging, Inc.	FRESH-SAC	U.S. Registration No. 1,694,457	Issued June 16, 1992
PCL Packaging, Inc.	HANDI-SAC	Common Law	
PCL Packaging, Inc.	RACK'N SAC	Common Law	
PCL Packaging, Inc.	CARTRIDGETALKER		
PCL Packaging Corporation	PCL TRIANGLE AND DESIGN	U.S. Registration No. 2,319,986	Issued [_____]
PCL Packaging Corporation	PCL TRIANGLE AND DESIGN	Canadian Registration No. TMA500,996	Issued [_____]

II. TRADEMARK APPLICATIONS

<u>Grantor</u>	<u>Mark</u>	<u>Application No.</u>	<u>Date</u>
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None

III. TRADEMARK LICENSES

<u>Grantor</u>	<u>Name of Agreement</u>	<u>Date of Agreement</u>	<u>Parties</u>
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None

SCHEDULE III
to
INTELLECTUAL PROPERTY SECURITY AGREEMENT

I. COPYRIGHT REGISTRATIONS

<u>Grantor</u>	<u>Copyright</u>	<u>Reg. No.</u>	<u>Date</u>
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None

II. COPYRIGHT APPLICATIONS

<u>Grantor</u>	<u>Copyright</u>	<u>Application No.</u>	<u>Date</u>
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None

III. COPYRIGHT LICENSES

<u>Grantor</u>	<u>Name of Agreement</u>	<u>Date of Agreement</u>	<u>Parties</u>
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None

EXHIBIT A

**COUNTERPART TO INTELLECTUAL
PROPERTY SECURITY AGREEMENT**

This counterpart, dated _____, [200__], is delivered pursuant to Section 7 of that certain Intellectual Property Security Agreement dated as of November [], 2001 (as from time to time amended, modified or supplemented, the "IP Security Agreement"; the terms defined therein and not otherwise defined herein being used as therein defined), between PCL Packaging Corporation, PCL Packaging, Inc., Gem Polymer Corporation and The Toronto Dominion Bank, as Lender. The undersigned hereby agrees (i) that this counterpart may be attached to the IP Security Agreement, and (ii) that the undersigned will comply with and be subject to, including representations and warranties, all the terms and conditions of the IP Security Agreement as if it were an original signatory thereto.

[NAME OF ADDITIONAL GRANTOR]

By: _____

Name:

Title: