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Tab settings

RECEIVED TRADEMARKS 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.

1. Name of conveying party(ies):

Courtesy Corporation; Creative Packaging Corp.

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

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

2. Name and address of receiving party(ies)

Name: Bank of America, N.A.

Internal

Address:

Street Address: 901 Main Street, 64th Floor

City: Dallas State: Texas Zip: 75202

- Individual(s) citizenship, Association Banking, General Partnership, Limited Partnership, Corporation-State, Other

If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No

3. Nature of conveyance:

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

Execution Date: January 16, 2002

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

A. Trademark Application No.(s)

See Attached

B. Trademark Registration No.(s)

See Attached

1377574

Additional number(s) attached Yes No

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

Name: S. Roxanne Edwards

Internal Address: Winstead Sechrest & Minick

Street Address: P.O. Box 50784, 1201 Main Street

TBIAZI 00000195 1377576

City: Dallas State: Texas Zip: 75250

6. Total number of applications and registrations involved:

8

7. Total fee (37 CFR 3.41) \$ 215.00

- Enclosed, Authorized to be charged to deposit account

8. Deposit account number:

23-2426 (Winstead)

(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.

S. Roxanne Edwards

Name of Person Signing

[Signature]

Signature

January 28, 2002

Date

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

36

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

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**TRADEMARK REGISTRATIONS****COURTESY CORPORATION**

<b><u>Country</u></b>	<b><u>Trademark Reg. No.</u></b>	<b><u>Registration Date</u></b>	<b><u>Mark</u></b>
U.S.	1,377,576	January 7, 1986	CMT & Design
U.S.	1,377,577	January 7, 1986	Courtesy
U.S.	1,379,569	January 21, 1986	CP & Design
U.S.	1,422,876	December 30, 1986	Shear-Pak
U.S.	1,703,728	July 28, 1992	C Logo

**CREATIVE PACKAGING CORP.**

<b><u>Country</u></b>	<b><u>Trademark Reg. No.</u></b>	<b><u>Registration Date</u></b>	<b><u>Mark</u></b>
U.S.	1,515,409	December 6, 1988	CP Design
U.S.	1,651,504	July 23, 1991	TILT-TOP
U.S.	2,295,164	November 30, 1999	CREATIVE PACKAGING

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01/08/2002 - 9766-887

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INTELLECTUAL PROPERTY SECURITY AGREEMENT

Among

THE GRANTORS NAMED HEREIN,  
as Grantors

and

BANK OF AMERICA, N.A.,  
as Administrative Agent

January 16, 2002

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# INTELLECTUAL PROPERTY SECURITY AGREEMENT

This INTELLECTUAL PROPERTY SECURITY AGREEMENT (this "Agreement"), dated as of January 16, 2002, made among each of the signatories party hereto (collectively, the "Grantors" and each a "Grantor"), and Bank of America, N.A., a national banking association, in its capacity as administrative agent (the "Administrative Agent"), for itself and the other Lenders (as defined herein) (in such capacity, the "Administrative Agent"; together with the Lenders, the "Secured Parties"). All capitalized terms used and not otherwise defined herein shall have their respective meanings as set forth in the Credit Agreement (as defined herein).

## RECITALS

WHEREAS, LLS CORP., an Illinois corporation (the "Parent"), COURTESY CORPORATION, an Illinois corporation, CREATIVE PACKAGING CORP., an Illinois corporation, and COURTESY SALES CORP., an Illinois corporation, the Administrative Agent and certain lenders from time to time party thereto (collectively, the "Lenders") desire to enter into that certain Post-Petition Credit Agreement dated as of the date hereof (as the same may be amended, restated, supplemented or modified from time to time, the "Credit Agreement");

WHEREAS, it is the intention of the parties hereto that this Agreement create a first priority security interest in certain property of the Grantors securing the payment of the obligations set forth in Section 1.2 hereof, subject to only Permitted Liens; and

WHEREAS, it is a condition precedent to the obligation of the Secured Parties to enter into the DIP Financing Documents and to, among other things, make the DIP Loans, and issue, or participate in the issuance of Letters of Credit under the Credit Agreement that the Grantors shall have executed and delivered this Agreement to the Administrative Agent.

## AGREEMENT

NOW, THEREFORE, in consideration of the premises set forth herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and in order to induce Secured Parties to enter into the DIP Financing Documents and to, among other things, make the DIP Loans and issue, or participate in the issuance of, Letters of Credit under the Credit Agreement, the Grantors hereby agree with the Administrative Agent for its benefit and the ratable benefit of the other Secured Parties, as hereinafter set forth.

### ARTICLE 1

#### Grant of Security Interest

Section 1.1 Grant of Security Interest. Each Grantor hereby pledges and grants to the Administrative Agent, for its benefit and the ratable benefit of the other Secured Parties, a security interest in, the entire right, title and interest of such Grantor, in and to the Collateral.

Section 1.2 Security for Obligations. This Agreement creates an enforceable security interest in the Collateral, subject only to Permitted Liens, securing the payment and performance of any and all obligations now or hereafter existing of the Grantors under the Credit Agreement

and the other DIP Financing Documents, including any extensions, supplements, modifications, substitutions, amendments and renewals thereof, whether for principal, interest, fees, expenses, indemnification or otherwise (all such obligations of the Grantors being the "Obligations"). Without limiting the generality of the foregoing, this Agreement secures the payment of all amounts which constitute part of the Obligations and would be owed by the Grantors to the Administrative Agent or any other Secured Party under any DIP Financing Document, but for the fact that they are unenforceable or not allowable due to the existence of a bankruptcy, reorganization or similar proceeding under the Bankruptcy Code or any other debtor relief laws involving any Grantor (including all such amounts which would become due or would be secured but for the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding of any Grantor or any other Person under the Bankruptcy Code or any other debtor relief laws).

Section 1.3 Validity and Priority of Security Interest. Each Grantor agrees that the Security Interest shall at all times be valid, perfected, continuing and binding and enforceable against such Grantor, in accordance with the terms hereof, as security for the Obligations, and that the Collateral shall not at any time be subject to any other Lien, except Permitted Liens.

Section 1.4 Maintenance of Status of Security Interest, Collateral and Rights.

(a) Required Action. Each Grantor shall take all action that may be necessary and that the Administrative Agent may reasonably request, so as at all times (i) to maintain the validity, perfection, enforceability and priority of the Security Interest in the Collateral in conformity with the requirements of Section 1.3, and (ii) to protect and preserve, and to enable the exercise or enforcement of, the rights of the Administrative Agent hereunder, including (A) immediately discharging all Liens, except Permitted Liens, and (B) executing and delivering financing or continuation statements, instruments of pledge, notices and instructions in each case in form and substance reasonably satisfactory to the Administrative Agent.

(b) Protection of Collateral. Each Grantor shall protect, preserve, renew and maintain, in each case in a manner consistent with reasonably responsible business and legal practices, all rights of such Grantor in the Collateral, including (i) making any filings necessary to renew or maintain the Registrations, (ii) prosecuting such suits, proceedings or other actions for infringement, unfair competition, dilution or other damage as such Grantor in its reasonable business judgment deems appropriate under the circumstances or (iii) appearing in and defending any action or proceeding that may materially adversely affect such Grantor's title to or the Administrative Agent's Security Interest in all or any part of the material Collateral, when such action is in such Grantor's reasonable business judgment necessary to protect such Collateral. Any expenses incurred by any Grantor in protecting, preserving, renewing and maintaining the Collateral shall be borne by the Grantors. To the maximum extent permitted by applicable laws, rules, regulations and orders of any Governmental Authority, during the continuance of an Event of Default, the Administrative Agent shall have the right, without taking title to any Collateral, to bring suit to enforce its Security Interest in any or all of the Collateral, in which event each Grantor shall, at the reasonable request of the Administrative Agent, do any and all lawful acts and execute any and all proper documents reasonably required by the Administrative Agent in aid of such enforcement. All reasonable costs, reasonable expenses and other moneys reasonably advanced by the Administrative Agent in connection with the foregoing shall,



whether or not there are then outstanding any amounts under the Credit Agreement, be treated as Obligations, but the making of any advances by the Administrative Agent or any other Secured Party shall not relieve the Grantors of any default hereunder.

(c) Authorized Action. The Administrative Agent is hereby authorized to file one or more continuation statements, and during the continuance of an Event of Default, financing statements, amendments thereto, notices and instructions without the signature of or in the name of Grantor when permitted by applicable laws, rules, regulations and orders of any Governmental Authority. A photocopy or other reproduction of this Agreement or of any financing statement covering the Collateral or any part thereof shall be sufficient as a financing statement where permitted by applicable law.

Section 1.5 Each Grantor Remains Obligated; the Administrative Agent and Secured Parties Not Obligated. The grant by each Grantor to the Administrative Agent of the Security Interest in the Collateral shall not (i) relieve any Grantor from the performance of any term, covenant, condition or agreement on its part to be performed or observed (including by virtue of the exercise by the Administrative Agent of any of its rights hereunder), (ii) relieve any Grantor from any liability to any Person, under or in respect of any of the Collateral, (iii) impose any obligation on the Administrative Agent or any Secured Party except as expressly provided herein or (iv) impose any liability on the Administrative Agent or any other Secured Party for any act or omission on the part of any Grantor relative thereto; provided, however, nothing contained herein shall prohibit any Grantor from allowing any Registration with respect to the Collateral to lapse or otherwise terminate if such Registration is not material to such Grantor's business in such Grantor's reasonable business judgment.

Section 1.6 Termination.

(a) After the date on which the Obligations are paid in full and the Commitments have been terminated (except to the extent that the release of any Collateral is otherwise permitted pursuant to the terms of the DIP Financing Documents), (i) this Agreement shall terminate and be of no further force and effect (except as provided in Section 1.6(b)) and all rights to the Collateral shall revert to the Grantors, and (ii) the Administrative Agent will, at the Grantors' expense, execute and deliver to the Grantors such documents as the Grantors shall reasonably request to evidence such termination.

(b) Each Grantor agrees that, to the extent permitted by applicable laws, rules, regulations and orders of any Governmental Authority, if at any time all or any part of any payment theretofore applied by the Administrative Agent and the other Secured Parties to any of the Obligations is or must be rescinded or returned by any Person for any reason whatsoever (including the insolvency, bankruptcy or reorganization of any Grantor or any other Person), such Obligations shall, for the purposes of this Agreement, to the extent that such payment is or must be rescinded or returned, be deemed to have continued in existence, notwithstanding such application by the Administrative Agent or any other Secured Party, and the Security Interest in the Collateral granted hereunder shall continue to be effective or be reinstated, as the case may be, as to such Obligations, all as though such application by the Administrative Agent or any other Secured Party had not been made.

## ARTICLE 2

### Representations and Warranties

Each Grantor represents and warrants as follows:

Section 2.1 Rights of the Grantor. Each Grantor is the legal and beneficial owner of the Collateral owned by it free and clear of any Lien, except for the Security Interest and Permitted Liens. No effective financing statement or other instrument similar in effect naming any Grantor as "debtor" covering all or any part of the Collateral is on file in any recording office, except such as (a) may have been filed in favor of the Administrative Agent relating to this Agreement, and (b) may be filed in respect of other Permitted Liens.

Section 2.2 Perfection. This Agreement, together with the filings referred to in Section 2.1(a) above, will create in favor of the Administrative Agent a valid and perfected Security Interest in the Collateral and such Security Interest will be a first priority Security Interest on existing Registrations, subject only to Permitted Liens.

Section 2.3 Registrations. Annexes A-1, A-2, B-1, B-2, C-1 and C-2, as applicable, set forth a true and complete list of all material Registrations in the United States Patent and Trademark Office and related state filings owned by each Grantor as of the date hereof.

## ARTICLE 3

### Covenants

Section 3.1 Jurisdiction of Organization; Chief Executive Office. Each Grantor shall maintain its jurisdiction of organization, chief executive office and the office where the books and records relating to the Collateral are kept only at the location specified on Schedule 1 to the Security Agreement.

Section 3.2 No Disposition of Collateral. Except to the extent permitted by the Credit Agreement, no Grantor shall sell, transfer or otherwise dispose of any of the Collateral or any interest therein that is material to such Grantor's business, or grant any license thereunder, except for licenses granted or other dispositions in the ordinary course of business.

Section 3.3 Additional Property. If after the date hereof, any Grantor uses or acquires any interest in any Registration which is within the definition of "Collateral" or modifies, reformulates or otherwise alters any Registration, in each case, that is material to such Grantor's business, such Grantor shall execute and deliver to the Administrative Agent all documents and instruments the Administrative Agent may reasonably require to grant to the Administrative Agent a perfected first priority Lien therein (subject only to Permitted Liens) and to subject all of such interest to this Agreement, including but not limited to any new, supplementary or additional filings.

Section 3.4 Requested Information. In addition to such other Information as shall be specifically provided for herein, each Grantor shall furnish to the Administrative Agent such other Information with respect to the Collateral as the Administrative Agent may reasonably

request from time to time in connection with the Collateral, or the protection, preservation, maintenance or enforcement of the Security Interest in the Collateral, including, without limitation, all documents in such Grantor's possession, or subject to its demand for possession, related to the production and sale by such Grantor, or any subsidiary, licensee or subcontractor thereof, of products or services sold by or under the authority of such Grantor in connection with the Collateral, including by way of example, without limiting the interest granted by this Agreement, all lists and ancillary documents which identify and describe any of such Grantor's licensees and all quality specifications related to the license, for products sold or services rendered under or in connection with the Collateral.

Section 3.5 Further Assurances; Additional Grantors. At any time and from time to time, upon the request of the Administrative Agent, and at the sole expense of the Grantors, each Grantor shall promptly execute and deliver all such further instruments and documents and take such further action as the Administrative Agent may deem necessary or desirable to preserve and perfect its security interest in the Collateral and carry out the provisions and purposes of this Agreement, including, without limitation, the execution and filing of such financing statements as the Administrative Agent may require. A carbon, photographic, or other reproduction of this Agreement or of any financing statement covering the Collateral or any part thereof shall be sufficient as a financing statement and may be filed as a financing statement. Upon the execution and delivery by any Person of a security agreement supplement in substantially the form of Annex D attached hereto (each a "Security Agreement Supplement"), (a) such Person shall be and become a Grantor hereunder and each reference in this Agreement to "Grantor" shall also mean and be a reference to such Person, and (b) the supplemental Annexes A-1, A-2, B-1, B-2, C-1 and C-2 attached to each Security Agreement Supplement shall be incorporated into and become a part of and supplement Annexes A-1, A-2, B-1, B-2, C-1 and C-2, respectively, hereto, and the Administrative Agent may attach such supplemental exhibits to such Annexes; and each reference to such Annexes shall mean and be a reference to such Annexes as supplemented pursuant to each Security Agreement Supplement.

## ARTICLE 4

### Event of Default

Upon the occurrence and during the continuance of an Event of Default:

Section 4.1 Application of Proceeds. All cash proceeds received by the Administrative Agent upon any sale of, collection of, or other realization upon, all or any part of the Collateral shall be applied in accordance with Section 4.3 of the Credit Agreement.

### Section 4.2 Remedies.

(a) If an Event of Default has occurred and is continuing, the Administrative Agent may exercise in respect of the Collateral, in addition to other rights and remedies provided for herein or otherwise available to it, all the rights and remedies of a secured party on default under the UCC at that time, and also may (i) require the Grantors to, and the Grantors hereby agree that they will at their expense and upon the reasonable request of the Administrative Agent forthwith, assemble all or part of the Collateral (to the extent capable of being assembled) as directed by the

Administrative Agent and make it available to the Administrative Agent at a place to be designated by the Administrative Agent which is reasonably convenient to both parties or (ii) without notice, except as specified below, sell the Collateral or any portion thereof in one or more parcels at public or private sale, at any of the Administrative Agent's offices or elsewhere, for cash, on credit or for future delivery, and upon such other terms as the Administrative Agent may deem commercially reasonable. The Grantors agree that, to the extent notice of sale shall be required by applicable laws, rules, regulations and orders of any Governmental Authority, ten days' written notice to the Grantors of the time and place of any public sale or the time after which any private sale is to be made shall constitute reasonable notification, provided that ten days' written notice does not violate any applicable laws, rules, regulations and orders of any Governmental Authority. The Administrative Agent shall not be obligated to make any sale of Collateral regardless of notice of sale having been given. The Administrative Agent may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned. The Administrative Agent may be the purchaser at any sale of the Collateral and pay all or any part of the purchase price thereof by canceling part or all of the Obligations.

(b) If an Event of Default has occurred and is continuing, the Administrative Agent may obtain the appointment of a receiver of the Collateral.

(c) If an Event of Default has occurred and is continuing, the Administrative Agent may without notice to the Grantors and at such time or times as the Administrative Agent in its reasonable discretion may determine, exercise any or all of any Grantor's rights in, to and under, or in any way connected with or related to, any or all of the Collateral, including (i) enforcing the performance of, and exercising any or all of such Grantor's rights with respect to the Collateral, in each case by legal proceedings or otherwise and (ii) settling, adjusting, compromising, extending, renewing, discharging and releasing any or all legal proceedings brought with respect to any or all of such Grantor's rights with respect to the Collateral.

(d) Upon written demand of the Administrative Agent, each Grantor shall execute and deliver to the Administrative Agent **an assignment or assignments** of the Collateral and such other documents as are reasonably necessary to carry out the intent and purposes of this Agreement.

(e) For the purpose of enabling the Administrative Agent to exercise rights and remedies under this Section 4.2 at such time as the Administrative Agent shall be lawfully entitled to exercise such rights and remedies, and for no other purpose, each Grantor hereby grants to the Administrative Agent, an irrevocable, non-exclusive license (exercisable without payment of royalty or other compensation by the Administrative Agent to such Grantor) to use, assign, license or sublicense any of the Collateral now owned or hereafter acquired by any Grantor, wherever the same may be located, including in such license reasonable access to all media in which any of the licensed items may be recorded or stored and to all computer programs used for the compilation or printout thereof.

**Section 4.3 Indemnity and Expenses. THE GRANTORS JOINTLY AND SEVERALLY AGREE TO INDEMNIFY (WHICH SHALL BE PAYABLE FROM TIME TO TIME ON DEMAND) THE ADMINISTRATIVE AGENT AND OTHER SECURED**

**PARTIES FROM AND AGAINST ANY AND ALL CLAIMS, LOSSES AND LIABILITIES (INCLUDING REASONABLE ATTORNEYS' FEES) ARISING OUT OF OR RESULTING FROM THIS AGREEMENT (INCLUDING ENFORCEMENT OF THIS AGREEMENT) TO THE EXTENT THAT THE GRANTORS ARE REQUIRED TO DO SO UNDER SECTION 11.5 OF THE CREDIT AGREEMENT.**

ARTICLE 5

Interpretation

Section 5.1 Definitional Provision.

(a) Certain Terms Defined by Reference. The terms "collateral", "inventory", "rights", and "security interest" shall have the meanings ascribed thereto in the UCC, or, when capitalized, the meanings specified in subsection (b) below.

(b) Other Defined Terms. For purposes of this Agreement:

"Agreement" means this Agreement, including all schedules, annexes and exhibits hereto, as amended, modified, supplemented or restated from time to time.

"Collateral" means each of the Grantor's rights, title and interests, (whatever they may be) in each of the following, in each case whether now or hereafter existing or now owned or hereafter acquired by each Grantor and whether or not the same is subject to Article 9 of the UCC, and wherever the same may be located, but only to the extent such assets are not presently encumbered:

- (i) the Trademarks and Goodwill;
- (ii) the Patents;
- (iii) the Copyrights;
- (iv) all registrations or letters patent issued or applied for (now or hereafter) with respect to the Trademarks, Patents and Copyrights and renewals thereof in the United States and any state thereof (the "Registrations");
- (v) any renewal, reissue, re-examination certificate, extension or the like with respect to the Trademarks, Patents and Copyrights;
- (vi) all rights to use the Trademarks as trade names or assumed names in all aspects of its business;
- (vii) all inventions, processes, production methods, proprietary information, know-how and trade secrets related to the Patents;
- (viii) all licenses, sublicenses or user or other agreements granted in favor of or from each Grantor with respect to any of the foregoing to the extent assignable without

violation thereof, together with any Goodwill connected with or symbolized by any such licenses and agreements; and

(ix) all proceeds and products of the foregoing. The inclusion of "proceeds" of Collateral in the definition of "Collateral" shall not be deemed a consent by the Administrative Agent to any sale or other disposition of any Collateral not otherwise specifically permitted by the terms hereof or by the Credit Agreement.

"Copyright" means any copyright, copyright registration and applications for such registration, including, but not limited to, the copyrights listed on Annex C-1 attached hereto, and all applications for copyrights, including those copyrights and applications listed on Annex C-2 attached hereto, together with all continuations, renewals, extensions, damages and payments now or hereafter due and payable under and with respect thereto, including, without limitation, damages for all past, present or future infringements thereof and the right to sue for past, present and future infringements thereof.

"Goodwill" means the goodwill of the businesses connected with the use of (or associated with) and symbolized by the Trademarks, but not any other goodwill.

"Information" means data, certificates, reports, statements (including financial statements), documents and other information in form (including electronic media) reasonably acceptable to the Administrative Agent.

"Patents" means all patents in any and all forms, and applications for patents, including but not limited to the patents listed on Annex A-1 attached hereto, and all patent applications listed on Annex A-2 attached hereto, together with the reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof, all income, royalties, damages and payments now or hereafter due and payable under and with respect thereto, including, without limitation, damages for past, present or future infringements thereof and the right to sue for past, present and future infringements thereof.

"Registrations" has the meaning set forth in the definition of Collateral.

"Security Interest" means the continuing security interest of the Administrative Agent in the Collateral intended to be effected by the terms of this Agreement or any financing and continuation statements or other filings contemplated hereby.

"Trademarks" means all trade names, trademarks, and service marks, in any and all forms, including but not limited to the registered trade names, trademarks, and service marks listed on Annex B-1 attached hereto, and all applications for registration of trade names, trademarks, and service marks, including those applications listed on Annex B-2 attached hereto, all common law rights to such trade names, trademarks and service marks, the right to recover for all past, present and future infringements thereof, and all other rights of any kind whatsoever accruing thereunder or pertaining thereto.

"UCC" means the Uniform Commercial Code as effective in the State of New York, as the same has been or may be amended or revised from time to time, or, if so required with

respect to any particular Collateral by mandatory provisions of applicable law, as in effect in the jurisdiction in which such Collateral is located.

Section 5.2 Power of Attorney. Each power of attorney, license and other authorization in favor of the Administrative Agent or any other Person granted by or pursuant to this Agreement shall be deemed to be irrevocable and coupled with an interest; provided however, each such power of attorney, license or other authorization shall terminate automatically upon the payment in full of the Obligations and termination of the Commitments and shall only be exercisable during the continuance of an Event of Default.

## ARTICLE 6

### Miscellaneous

Section 6.1 Administrative Agent's Right to Perform on the Grantors' Behalf. If any Grantor shall fail to observe or perform any of the terms, conditions, covenants and agreements to be observed or performed by it under this Agreement, the Administrative Agent may (but shall not be obligated to) do the same or cause it to be done or performed or observed, either in its name or in the name and on behalf of such Grantor, and in the event that such Grantor shall have failed to observe or perform any of the terms, conditions, covenants and agreements to be observed or performed by it under this Agreement, then each Grantor hereby authorizes the Administrative Agent to do so, and each Grantor hereby appoints the Administrative Agent, and any other Person the Administrative Agent may designate, as such Grantor's attorney-in-fact (exercisable only during the continuance of an Event of Default) to do, or cause to be done, in the name, place and stead of such Grantor in any way in which such Grantor itself could do, or cause to be done, any or all things necessary to observe or perform the terms, conditions, covenants and agreements to be observed or performed by such Grantor under this Agreement. In addition, each Grantor hereby irrevocably appoints the Administrative Agent as such Grantor's attorney-in-fact (exercisable only during the continuance of an Event of Default) to execute and deliver in such Grantor's name and stead to any purchaser at any sale held under Section 4.2 hereof any and all documents and instruments of assignment, transfer and conveyance necessary or appropriate to transfer to such purchaser the Collateral sold at such sale. This appointment as attorney-in-fact shall terminate upon the payment in full of the Obligations and termination of the Commitments.

Section 6.2 Administrative Agent's Right to Use Agents. The Administrative Agent may exercise its rights under this Agreement through an agent or other designee.

Section 6.3 Limitation of the Administrative Agent's Obligations With Respect to Collateral.

(a) The Administrative Agent shall not have any duty or liability to protect or preserve any Collateral or to preserve rights pertaining thereto, except to the extent of any gross negligence or willful misconduct of the Administrative Agent or other Secured Parties.

(b) Nothing contained in this Agreement shall be construed as requiring or obligating the Administrative Agent, and the Administrative Agent shall not be required or obligated, to

(i) present or file any claim or notice or take any action, with respect to any Collateral or in connection therewith or (ii) notify any Grantor of any decline in the value of any Collateral.

Section 6.4 Rights of the Administrative Agent under UCC and applicable law. The Administrative Agent shall have, with respect to the Collateral, in addition to all of its rights under this Agreement, (a) the rights of a secured party under the UCC, whether or not the UCC would otherwise apply to the collateral in question, and (b) the rights of a secured party under all other applicable laws, rules, regulations and orders of any Governmental Authority.

Section 6.5 Waivers of Rights Inhibiting Enforcement. To the extent not prohibited by applicable laws, rules, regulations and orders of any Governmental Authority, each Grantor waives all rights of redemption, appraisalment, or marshaling of assets.

Section 6.6 Notices and Deliveries.

(a) Manner of Delivery. All notices and other communications provided for hereunder shall be effectuated in the manner provided for in Section 11.2 of the Credit Agreement.

Section 6.7 **GOVERNING LAW.** THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF NEW YORK, EXCEPT TO THE EXTENT GOVERNED BY THE BANKRUPTCY CODE (WITHOUT REFERENCE TO PRINCIPLES OF CONFLICTS OF LAWS) AND THE APPLICABLE FEDERAL LAWS OF THE UNITED STATES OF AMERICA, EXCEPT TO THE EXTENT THAT THE VALIDITY OR PERFECTION OF THE SECURITY INTEREST HEREUNDER, OR REMEDIES HEREUNDER, IN RESPECT OF ANY PARTICULAR COLLATERAL ARE REQUIRED TO BE GOVERNED BY THE LAWS OF A JURISDICTION OTHER THAN THE STATE OF NEW YORK.

Section 6.8 **WAIVER OF JURY TRIAL.** THE ADMINISTRATIVE AGENT, THE SECURED PARTIES AND THE GRANTORS HEREBY WAIVE, TO THE MAXIMUM EXTENT PERMITTED BY LAW, ALL RIGHT TO TRIAL BY JURY IN ANY JUDICIAL PROCEEDINGS INVOLVING, DIRECTLY OR INDIRECTLY, ANY MATTER (WHETHER IN TORT, CONTRACT OR OTHERWISE) IN ANY WAY ARISING OUT OF OR RELATED TO, THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

Section 6.9 Consent to Jurisdiction; Waiver of Immunities.

(a) Each Grantor and the Administrative Agent each hereby irrevocably submits to the non-exclusive jurisdiction of any United States Federal or State courts sitting in New York, New York, in any action or proceeding arising out of or relating to this Agreement, and each Grantor and the Administrative Agent hereby irrevocably waive any objection they may now or hereafter have as to the venue of any such suit, action or proceeding brought in such court or that such court is an inconvenient forum.



(b) Nothing in this section shall limit the right of any Grantor, the Administrative Agent or any other Secured Party to bring any action or proceeding against any other party or its property in the courts of any other jurisdictions.

Section 6.10 Severability. Any provision of this Agreement which is for any reason prohibited or found or held invalid or unenforceable by any court or governmental agency shall be ineffective to the extent of such prohibition or invalidity or unenforceability, without invalidating the remaining provisions hereof in such jurisdiction or affecting the validity or enforceability of such provision in any other jurisdiction.

Section 6.11 Counterparts; Delivery by Facsimile. This Agreement may be signed in any number of counterparts, each of which when so executed and delivered shall be deemed to be an original, but all such counterparts together shall constitute but one and the same instrument. Transmission by facsimile of an executed counterpart of this Agreement shall be deemed to constitute due and sufficient delivery of such counterpart and such facsimile shall be deemed an original counterpart of this Agreement.

Section 6.12 Successors and Assigns. All of the provisions of this Agreement shall be binding and inure to the benefit of the parties hereto and their respective successors and permitted assigns; provided, however, no Grantor may assign its liabilities and obligations under this Agreement without the prior written consent of all Secured Parties.

Section 6.13 DIP Financing Documents. This Agreement is a DIP Financing Document executed pursuant to the Credit Agreement and shall (unless otherwise expressly indicated herein) be construed, administered and applied in accordance with the terms and provisions thereof.

Section 6.14 Obligations Not Affected. To the fullest extent permitted by applicable laws, rules, regulations and orders of any Governmental Authority, the obligations of the Grantors under this Agreement shall remain in full force and effect without regard to, and shall not be impaired or affected by:

(a) any amendment or modification or addition or supplement to any DIP Financing Documents or any instrument delivered in connection therewith or any **assignment** or transfer thereof;

(b) any exercise, non-exercise, or waiver by the Administrative Agent or any other Secured Party of any right, remedy, power or privilege under or in respect of, or any release of any guaranty or the Collateral or any part thereof provided pursuant to, this Agreement or any other DIP Financing Document;

(c) any waiver, consent, extension, indulgence or other action or inaction in respect of this Agreement, any other DIP Financing Documents or **any assignment** or transfer of any thereof; or

(d) any bankruptcy, insolvency, reorganization, arrangement, readjustment, composition, liquidation or the like of any Grantor or any other Person, whether or not any Grantor shall have notice or knowledge of any of the foregoing.

Section 6.15 ENTIRE AGREEMENT. THIS WRITTEN AGREEMENT, TOGETHER WITH THE OTHER DIP FINANCING DOCUMENTS, REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL ARGUMENTS BETWEEN THE PARTIES.

Section 6.16 Conflicts. In the event of a conflict between the terms and conditions of this Agreement and the terms and conditions of the Credit Agreement, the terms and conditions of the Credit Agreement shall control.

REMAINDER OF PAGE LEFT INTENTIONALLY BLANK

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

GRANTORS:

LLS CORP.

By: Wes DeHaven  
Name: Wes DeHaven  
Title: Senior Vice President

COURTESY CORPORATION

By: Wes DeHaven  
Name: Wes DeHaven  
Title: Senior Vice President

CREATIVE PACKAGING CORP.

By: Wes DeHaven  
Name: Wes DeHaven  
Title: Senior Vice President

COURTESY SALES CORP.

By: Wes DeHaven  
Name: Wes DeHaven  
Title: Senior Vice President

SECURED PARTY:

BANK OF AMERICA, N.A., as the  
Administrative Agent

By: Liliana Claar  
Name: LILIANA CLAR  
Title: Vice President

**PATENTS****COURTESY CORPORATION**

<b><u>Country</u></b>	<b><u>Patent No.</u></b>	<b><u>Patent Date</u></b>	<b><u>Title</u></b>
U.S.	4,567,995	February 4, 1986	End closure having separate opening means
U.S.	4,598,837	July 8, 1986	End closure with tamper evident element
U.S.	4,706,835	November 17, 1987	Closure with top cut tamper evident feature
U.S.	4,709,830	December 1, 1987	Closure with top cut tamper evident feature for wide mouth container
U.S.	5,215,220	June 1, 1993	Tamper evident closure with dispensing spout and integral opening member
U.S.	6,116,477	September 12, 2000	Two piece hinge closure
U.S.	D-435,218	December 19, 2000	Design for product dispenser top
U.S.	D-438,114	February 27, 2001	Design for twist top closure
U.S.	6,213,351	April 10, 2001	Push body valve closure
U.S.	6,299,027	October 9, 2001	Valve controlled dispensing closure (Aqua Valve)
U.S.	6,299,038	October 9, 2001	Telescoping twist closure
Canada	1,242,090	September 20, 1988	Collapsible spoon
Australia	579692	December 20, 1985	Folding utensil

**COURTESY CORPORATION (Cont.)**

Canada	1,271,146	July 3, 1990	Closure with side cut tamper evident feature
Australia	586573	July 29, 1987	Closure with side cut tamper evident feature
Japan	2,007,295	January 11, 1996	Closure with side cut tamper evident feature

**CREATIVE PACKAGING CORP.**

<u>Country</u>	<u>Patent No.</u>	<u>Patent Date</u>	<u>Title</u>
U.S.	Des. 324,175	February 25, 1992	Dispensing Closure
U.S.	Des. 323,462	January 28, 1992	Dispensing Closure
U.S.	Des. 323,461	January 28, 1992	Dispensing Closure
U.S.	Des. 319,588	September 3, 1991	Dispensing Closure
U.S.	4,984,716	January 15, 1991	Two-Piece Tamper Evident Hinged Closure
U.S.	4,709,823	December 1, 1987	Tamper Evident Bottle or Package Closure
U.S.	5,016,787	May 21, 1991	Side Orifice Dispensing Closure
U.S.	5,007,555	April 16, 1991	Biased Hinge Cap
U.S.	4,967,941	November 6, 1990	Twist Lock Adjustable Metering Closure Cap
U.S.	4,927,065	May 22, 1990	Adjustable Metering Closure Cap
U.S.	Des. 306,701	March 20, 1990	Tethered Dispensing Closure
U.S.	4,848,612	July 18, 1989	Hinged Dispensing Closure
U.S.	4,793,502	December 27, 1988	Hinged Dispensing Closure
U.S.	4,793,601	December 27, 1988	Water Tight Hinge Closure
U.S.	5,328,063	July 12, 1994	Venting Closure Cap

**Annex A-1 Intellectual Property Security Agreement**

**Patents**

**Page 3**

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**TRADEMARK  
REEL: 002446 FRAME: 0023**

**CREATIVE PACKAGING CORP. (Cont.)**

<u>Country</u>	<u>Patent No.</u>	<u>Patent Date</u>	<u>Title</u>
U.S.	5,297,688	March 29, 1994	Closure for Sealing a Container Rim
U.S.	5,282,540	February 1, 1994	Tamper Band with Flexible Engagement Member
U.S.	5,219,100	June 15, 1993	Flap Closure Lockable in an Open Position
U.S.	5,215,204	June 1, 1993	Tamper Evident Closure with Hinged Band
U.S.	5,197,634	March 30, 1993	Side Orifice Dispensing Closure
U.S.	5,129,531	July 14, 1992	Closure Assembly with Breakaway Tamper Evident Membrane
U.S.	5,511,679	April 30, 1996	Closure for a Resealable Container
U.S.	5,743,444	April 28, 1998	Twist Dispensing Closure
U.S.	5,829,609	November 3, 1998	Twist Top Child-Resistant Closure
U.S.	5,829,611	November 3, 1998	Tamper-Evident Overcap
U.S.	5,842,592	December 1, 1998	Tamper-Evident Snap on Cap With Tear Lever
U.S.	5,971,182	October 26, 1999	Closure with Tamper-Evident Band



**CREATIVE PACKAGING CORP. (Cont.)**

<u>Country</u>	<u>Patent No.</u>	<u>Patent Date</u>	<u>Title</u>
U.S.	5,996,859	December 7, 1999	Hinged Dispensing Closure
U.S.	6,024,256	February 15, 2000	Tamper-Evident Closure
U.S.	D-423,358	April 25, 2000	Design for Twist Top Closure
U.S.	D-424,442	May 9, 2000	Design for Twist Top Closure
U.S.	6,135,329	October 24, 2000	Universal Base Pull/Push-Twist Closure
U.S.	D-435,793	January 2, 2001	Design for Twist Top Cap With Vertical Ribs
U.S.	6,196,747	March 6, 2001	Product Dispensing Cover
Canada	1,324,345	November 16, 1993	Adjustable Metering Closure
Canada	1,319,334	June 22, 1993	Hinged Dispensing Closure
Canada	2,022,145	January 3, 1995	Biased Hinge Cap
Canada	2,015,195	July 30, 1996	Side Orifice Dispensing Closure
Canada	2,011,015	October 3, 1995	Twist Lock Adjustable Metering Closure Cap
Australia	673,449	February 26, 1997	Venting Closure Cap

**Annex A-1 Intellectual Property Security Agreement**

**Patents  
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**CREATIVE PACKAGING CORP. (Cont.)**

<u>Country</u>	<u>Patent No.</u>	<u>Patent Date</u>	<u>Title</u>
Australia	668,258	October 25, 1993	Tamper Band with Flexible Engagement Member
Canada	2,094,067	July 21, 1998	Flap Closure Lockable in an Open Position
Canada	2,148,804	August 4, 1998	Tamper Band with Flexible Engagement Member
Australia	716,187	June 8, 2000	Tamper-Evident Overcap
New Zealand	335,020	September 10, 1997	Tamper-Evident Overcap
Canada	1,271,146	July 3, 1990	Closure with Side Cut Tamper Evident Feature
Australia	586,573	November 9, 1989	Closure with Side Cut Tamper Evident Feature
Japan	2,007,295	January 1, 1996	Closure with Side Cut Tamper Evident Feature
China	ZL00350929.X	September 12, 2001	Design for Twist Top

**PENDING PATENT APPLICATIONS****COURTESY CORPORATION**

<b><u>Country</u></b>	<b><u>Serial No.</u></b>	<b><u>Filing Date</u></b>	<b><u>Title</u></b>
U.S.	09/611,272	July 6, 2000	Trigger Activated Dispenser
U.S.	09/680,352	October 5, 2000	Dispensing Closure
U.S.	29/132,083	November 1, 2000	Design for Overcap for Dispensing Closure
U.S.	09/768,735	January 24, 2001	Two Piece Hinged Closure
U.S.	09/832,701	April 11, 2001	Swivel Top Closure

**CREATIVE PACKAGING CORP.**

<u>Country</u>	<u>Appl. S.N.</u>	<u>Filing Date</u>	<u>Title</u>
Canada	2,163,863	June 8, 1994	Venting Closure Cap
Taiwan	89112601	June 27, 2000	Two Piece Hinge Closure
PCT	PCT/US00/07205	March 17, 2000	Universal Base Pull / Push-Twist Closure
PCT	PCT/US00/34014	December 15, 2000	Push Body Valve Closure
Taiwan	89109229	May 15, 2000	Universal Base Pull / Push-Twist Closure
EPO	97941001.6	September 10, 1997	Tamper-Evident Overcap
Canada	2,263,222	February 10, 1999	Tamper-Evident Overcap
Hong Kong	99105611.0	December 2, 1999	Tamper-Evident Overcap
Israel	128530	September 10, 1997	Tamper-Evident Overcap
Japan	517,523/1998	April 6, 1999	Tamper-Evident Overcap
Mexico	992786	March 24, 1999	Tamper-Evident Overcap
Poland	P332637	September 10, 1997	Tamper-Evident Overcap
Singapore	9900507-6	September 10, 1997	Tamper-Evident Overcap
EPO	99902223.9	January 13, 1999	Tamper-Evident Closure

**CREATIVE PACKAGING CORP. (Cont.)**

<u>Country</u>	<u>Appln. S.N.</u>	<u>Filing Date</u>	<u>Title</u>
Australia	22254/99	January 13, 1999	Tamper-Evident Closure
Brazil	PI-9.907.676-4	August 4, 2000	Tamper-Evident Closure
Canada	2,309,710	January 13, 1999	Tamper-Evident Closure
China	99802094.X	January 13, 1999	Tamper-Evident Closure
Israel	135720	April 18, 2000	Tamper-Evident Closure
Japan	532,361/2000	August 8, 2000	Tamper-Evident Closure
Mexico	6351	January 26, 2000	Tamper-Evident Closure
New Zealand	504472	May 11, 2000	Tamper-Evident Closure
South Korea	2000-7007382	June 30, 2000	Tamper-Evident Closure
Poland	P304877	May 31, 2000	Tamper-Evident Closure
Singapore	200002408-3	January 13, 1999	Tamper-Evident Closure
Hong Kong	01103089.5	May 2, 2001	Tamper-Evident Closure
Germany	40011516.6	November 29, 2000	Design for Twist Top Closure
Great Britain	2,098,351	December 21, 2000	Design for Twist Top Closure
Mexico	1679	December 4, 2000	Design for Twist Top Closure

**TRADEMARK REGISTRATIONS****COURTESY CORPORATION**

<b><u>Country</u></b>	<b><u>Trademark Reg. No.</u></b>	<b><u>Registration Date</u></b>	<b><u>Mark</u></b>
U.S.	1,377,576	January 7, 1986	CMT & Design
U.S.	1,377,577	January 7, 1986	Courtesy
U.S.	1,379,569	January 21, 1986	CP & Design
U.S.	1,422,876	December 30, 1986	Shear-Pak
U.S.	1,703,728	July 28, 1992	C Logo

**CREATIVE PACKAGING CORP.**

<u>Country</u>	<u>Trademark Reg. No.</u>	<u>Registration Date</u>	<u>Mark</u>
U.S.	1,515,409	December 6, 1988	CP Design
U.S.	1,651,504	July 23, 1991	TILT-TOP
U.S.	2,295,164	November 30, 1999	CREATIVE PACKAGING
Australia	772233	April 30, 1999	CP Logo
South Korea	452062	July 31, 1999	CREATIVE PACKAGING
South Korea	452061	July 31, 1999	CP Logo
Japan	4327634	October 22, 1999	CREATIVE PACKAGING
Japan	4339198	November 26, 1999	CP Logo
China	1398780	May 20, 2000	CREATIVE PACKAGING
China	1383828	April 13, 2000	CP Logo

**PENDING TRADEMARK APPLICATIONS**

**CREATIVE PACKAGING CORP.**

<b><u>Countries</u></b>	<b><u>Mark</u></b>
Australia	CREATIVE PACKAGING



**COPYRIGHTS**

None.

**PENDING COPYRIGHT APPLICATIONS**

None.

**SECURITY AGREEMENT SUPPLEMENT**

\_\_\_\_\_, 200\_\_

Bank of America, N.A., as the Administrative  
Agent for the Lenders referred to in the  
Credit Agreement referred to below

Re: LLS Corp., Courtesy Corporation, Creative Packaging Corp.  
and Courtesy Sales Corp.

Ladies and Gentlemen:

Reference is made to (i) the Post-Petition Credit Agreement dated as of January 16, 2002 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), among LLS Corp., an Illinois corporation, Courtesy Corporation, an Illinois corporation, Creative Packaging Corp., an Illinois corporation, Courtesy Sales Corp., an Illinois corporation, Bank of America, N.A., as the Administrative Agent, and the Lenders from time to time party thereto, and (ii) the Security Agreement dated as of January 16, 2002 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "Security Agreement") executed by the Grantors from time to time party thereto in favor of the Administrative Agent for the benefit of the Lenders. Terms defined in the Credit Agreement or the Security Agreement and not otherwise defined herein are used herein as defined in the Credit Agreement or the Security Agreement.

Section 1. Grant of Security. The undersigned hereby collaterally pledges, assigns and grants to the Administrative Agent for the ratable benefit of the Lenders and (to the extent specifically provided in the Security Agreement) their Affiliates, a security interest in, all of its right, title and interest in and to the Collateral of the undersigned, to secure the prompt and complete payment and performance of the Obligations, including without limitation, the Collateral of the undersigned set forth on the attached supplemental Annexes to the Security Agreement.

Section 2. Supplements to Security Agreement Annexes. The undersigned has attached hereto supplemental Annexes A-1, A-2, B-1, B-2, C-1 and C-2 to the Security Agreement, and the undersigned hereby certifies, as of the date first above written, that such supplemental annexes have been prepared by the undersigned in substantially the form of the equivalent Annexes to the Security Agreement and are complete and correct in all material respects.

Section 3. Representations and Warranties. The undersigned hereby makes each representation and warranty set forth in Article 2 of the Security Agreement (as supplemented by the attached supplemental exhibits to the same extent as each other Grantor.

**Annex C-2 Intellectual Property Security Agreement**  
**Copyright Applications**  
**Page 1**

Section 4: Obligations Under the Security Agreement. The undersigned hereby agrees, as of the date first above written, to be bound as a Grantor by all of the terms and provisions of the Security Agreement to the same extent as each of the other Grantors. The undersigned further agrees, as of the date first above written, that each reference in the Security Agreement to a "Grantor" shall also mean and be a reference to the undersigned.

Section 5. Notices. All communications and notices hereunder shall be in writing and given as provided in Section 6.6 of the Security Agreement. All communications and notices hereunder to the undersigned shall be given to it at the address set forth under its signature.

Section 6. Governing Law. This supplement shall be governed by, and construed in accordance with, the laws of the State of New York.

Very truly yours,

[NAME OF NEW GRANTOR]

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Address: \_\_\_\_\_

Fax No.: ( ) \_\_\_\_\_ - \_\_\_\_\_

Phone No.: ( ) \_\_\_\_\_ - \_\_\_\_\_

Attention: \_\_\_\_\_