

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	SECURITY INTEREST

CONVEYING PARTY DATA

Name	Formerly	Execution Date	Entity Type
Caraustar Industries, Inc.		06/24/2003	CORPORATION: NORTH CAROLINA
Caraustar, G.P.		06/24/2003	General Partnership: SOUTH CAROLINA
Caraustar Industrial and Consumer Products Group, Inc.		06/24/2003	CORPORATION: DELAWARE
Sprague Paperboard, Inc.		06/24/2003	CORPORATION: CONNECTICUT
Caraustar Custom Packaging Group (Maryland), Inc.		06/24/2003	CORPORATION: MARYLAND

RECEIVING PARTY DATA

Name:	Bank of America, N.A.
Street Address:	600 Peachtree Street NE
Internal Address:	5th Floor
City:	Atlanta
State/Country:	GEORGIA
Postal Code:	30308
Entity Type:	National Banking Association: UNITED STATES

PROPERTY NUMBERS Total: 37

Property Type	Number
Registration Number:	2482325
Registration Number:	2082467
Registration Number:	2402429
Registration Number:	2569625
Registration Number:	2674866
Registration Number:	2674865
Registration Number:	2677688
Registration Number:	2713125

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Registration Number:	2677633
Registration Number:	2119723
Registration Number:	2173974
Registration Number:	1440580
Registration Number:	1804449
Registration Number:	1454240
Registration Number:	777217
Registration Number:	1449648
Registration Number:	2363457
Registration Number:	2269147
Registration Number:	1031428
Registration Number:	2484548
Registration Number:	2484511
Registration Number:	2484512
Registration Number:	1693969
Registration Number:	2488014
Registration Number:	1595416
Registration Number:	1656832
Registration Number:	2543641
Registration Number:	2240217
Registration Number:	2138562
Registration Number:	2123570
Registration Number:	2121524
Registration Number:	2121523
Registration Number:	2147348
Registration Number:	2123569
Registration Number:	2148958
Serial Number:	76500254
Serial Number:	76510206

CORRESPONDENCE DATA

Fax Number: (404)962-6785

Correspondence will be sent via US Mail when the fax attempt is unsuccessful.

Phone: 404-885-3406

Email: trademarks@troutmansanders.com

Correspondent Name: Daniele E. Bourgeois, Esq.

Address Line 1: 600 Peachtree Street NE
Address Line 2: Troutman Sanders LLP, Suite 5200
Address Line 4: Atlanta, GEORGIA 30308-2216

ATTORNEY DOCKET NUMBER: 10644.111501

NAME OF SUBMITTER: Daniele E. Bourgeois

Total Attachments: 11
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CONDITIONAL ASSIGNMENT AND TRADEMARK SECURITY AGREEMENT

THIS CONDITIONAL ASSIGNMENT AND TRADEMARK SECURITY AGREEMENT (this "Agreement") is made as of June 24, 2003 by the Obligors referred to below in favor of the Agent, for the benefit of the Lenders (as such terms are defined below).

WITNESSETH:

WHEREAS, Caraustar Industries, Inc., a North Carolina corporation ("Caraustar"), certain direct and indirect subsidiaries of Caraustar (each, together with Caraustar, an "Obligor" and, collectively, the "Obligors"), certain financial institutions (collectively, the "Lenders"), Bank of America, N.A., as agent for the Lenders (in such capacity, the "Agent"), and Banc of America Securities LLC, as Arranger, have entered into a Credit Agreement of even date herewith (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"; capitalized terms used herein without definition shall have the meanings ascribed to such terms in the Credit Agreement), pursuant to which the Lenders have agreed to make certain loans and other financial accommodations available to Caraustar and the other Obligors party to the Credit Agreement as "Borrowers" (the "Loans"); and

WHEREAS, the Obligors will derive substantial benefits, both directly and indirectly, from the Loans; and

WHEREAS, in order to induce the Agent and the Lenders to enter into the Credit Agreement and to make the Loans, the Obligors have agreed to assign to the Agent, for the ratable benefit of the Lenders, certain trademark rights as described herein.

NOW, THEREFORE, in consideration of the premises, the Obligors hereby agree with the Agent as follows:

1. Grant of Security Interest.

To secure the complete and timely payment and performance of all Obligations, each Obligor hereby grants, assigns and conveys to the Agent, for the ratable benefit of the Lenders, a security interest in such Obligor's entire world-wide right, title and interest in and to the trademarks and their respective registrations and applications for registration listed in **Schedule A** attached hereto and by reference made a part hereof, together with the goodwill of the business symbolized by the trademarks, all licenses relating thereto, and all proceeds thereof (such as, by way of example, license royalties and proceeds of infringement suits), and the right to sue for past, present and future infringements (all of which trademarks, trademark registrations, applications for registration, goodwill, licenses, proceeds, and other rights are collectively called the "Trademarks").

2. Conditional Grant of Security Interest in Additional Trademarks.

If, before the Obligations shall have been satisfied in full and the Commitments shall have been terminated, any Obligor shall have or obtain ownership of any trademark, including any registration or application therefor, with respect to goods sold in any Obligor's business (the "Goods"), the provisions of Section 1 shall automatically apply thereto, and also to any composite marks or other marks of any Obligor which are confusingly similar to such mark, and the Obligors shall give to the Agent prompt written notice thereof. This Section 2 shall not apply to trademarks which are owned by others and licensed to any Obligor. Each Obligor shall perform all acts and execute all documents reasonably requested by the Agent at any time and from time to time to evidence, perfect, maintain, record and enforce the Agent's security interest in the Trademarks, including, without limitation, any trademarks falling under this Section 2.

3. Modification of Agreement.

Each Obligor authorizes the Agent to modify this Agreement by amending **Schedule A** to include any additional trademarks, registrations and applications for registration thereof which are Trademarks under Section 1 or Section 2 hereof, and to have this Agreement, as amended, or any other document evidencing the security interest granted therein, recorded in the U.S. Patent and Trademark Office at the expense of the Obligors.

4. Remedies Upon Default; Power of Attorney

(a) In addition to the grant of the security interest contained in Sections 1 and 2 hereof, if any Event of Default shall have occurred and be continuing, upon the election of the Agent, all right, title and interest in and to the Trademarks shall be automatically granted, assigned, conveyed and delivered to the Agent or its designee. Each Obligor hereby irrevocably constitutes and appoints the Agent and any officer, agent or employee thereof, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of each Obligor and in the name of such Obligor or the Agent's own name or the name of the Agent's designee, all acts of said attorney being hereby ratified and confirmed, upon the occurrence and during the continuance of an Event of Default: (i) to complete, date, execute and file, or cause to be filed, the Assignment attached hereto as **Exhibit A** and incorporated hereby by reference (the "Assignment") in the U.S. Patent and Trademark Office and in all other applicable offices, and to execute and deliver any and all documents and instruments which may be necessary or desirable to accomplish the purpose of the Assignment, including, without limitation, the right (but not the obligation) to prosecute applications in the name of such Obligor or the Agent, and to take any other actions deemed necessary by the Agent to maintain such registrations in effect; (ii) to collect proceeds from the Trademarks (including, by way of example, license royalties and proceeds of infringement suits); (iii) to convey in any transaction authorized by the Credit Agreement, the Security Agreement or any other Loan Document, any Goods covered by the registrations applicable to the Trademarks to any purchaser thereof; and (iv) to make payment or to discharge taxes or liens levied or placed upon or threatened against any goods covered by the Trademarks, the legality or validity thereof and the amounts necessary to discharge the same to be determined by the Agent in its sole discretion, and

such payments made by the Agent to become the obligations of the Obligors to the Agent, due and payable immediately without demand. Such power, being coupled with an interest, is irrevocable.

(b) The Agent shall have, in addition to all other rights and remedies given it by this Agreement, those allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in any jurisdiction in which the Trademarks may be enforceable, and, without limiting the generality of the foregoing, the Agent may, if any Event of Default shall have occurred and be continuing, immediately, without demand or performance and without other notice (except as set forth below) or demand whatsoever to any Obligor, all of which are hereby expressly waived, and without advertisement, sell at public or private sale or otherwise realize upon, the Trademarks, together with the goodwill of the business symbolized by the Trademarks, and after deducting from the proceeds of sale or other disposition of the Trademarks all expenses (including all reasonable expenses for brokers' fees and legal services), shall apply the residue of such proceeds in accordance with the Loan Documents. Notice of any sale or other disposition of the Trademarks shall be given to the Obligors, in care of Carastar in the manner provided in the Credit Agreement, at least ten (10) days before the time of any intended public or private sale or other disposition of the Trademarks is to be made, which each Obligor hereby agrees shall be reasonable notice of such sale or other disposition. At any such sale or other disposition, the Agent or any Lender may, to the extent permissible under applicable law, purchase the whole or any part of the Trademarks sold, free from any right of redemption on the part of any Obligor, which right is hereby waived and released. Each Obligor hereby agrees to execute any documents reasonably requested by the Agent in connection with any disposition hereunder.

(c) Upon the occurrence of the conditional assignment provided for in Section 4(a), no Obligor shall have any right, title, or interest in or to any of the Trademarks and each Obligor shall cease and desist in the use of the Trademarks and of any colorable imitation thereof, and shall, upon written demand of the Agent, or pursuant to the terms of the Credit Agreement and the Security Agreement, deliver to the Agent all Goods bearing the Trademarks.

5. Termination of Agreement.

At such time as the Obligors shall completely satisfy all of the Obligations and the Commitments shall have been terminated, the Agent shall execute and deliver to the Obligors all deeds, assignments and other instruments as may be necessary or proper to re-vest in the Obligors title to the Trademarks and the goodwill of the business symbolized by the Trademarks, subject to any disposition thereof which may have been made by the Agent pursuant hereto.

6. Limitation of Liability and Indemnification.

Each Obligor hereby releases the Agent and the Lenders from, and agrees to hold the Agent and the Lenders free and harmless from and against, any claims arising out of any action taken or omitted to be taken with respect to the Trademarks (except to the extent of the Agent's or the Lenders' gross negligence or willful misconduct), and each Obligor agrees to indemnify

the Agent and the Lenders from and against any and all claims, demands, suits, losses, damages or other expenses (including reasonable attorneys' fees) arising from or in any way related to the Trademarks and any trademark infringement claim, except to the extent of the Agent's or the Lenders' gross negligence or willful misconduct.

7. Waiver and Amendment.

(a) No course of dealing between any Obligor and the Agent or the Lenders, nor any failure to exercise, nor any delay in exercising, on the part of the Agent or the Lenders, any right, power or privilege hereunder shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

(b) This Agreement is subject to modification only by a writing signed by the parties hereto.

8. Cumulative Rights.

All of the Agent's and the Lenders' rights and remedies with respect to the Trademarks, whether established hereby or under any other Loan Document, or by any other agreements or by law, shall be cumulative and may be exercised singularly or concurrently.

9. Severability.

The provisions of this Agreement are severable, and if any clause or provision shall be held invalid and unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part thereof, in such jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction, or any other clause or provision of this Agreement in any jurisdiction.

10. Survival.

The benefits and burdens of this Agreement shall inure to the benefit of and be binding upon the respective successors and permitted assigns of the parties hereto.

11. Counterparts.

This Agreement may be executed in one or more counterparts, all of which taken together shall constitute one and the same instrument and any of the parties hereto may execute this Agreement by signing any such counterpart.


12. Choice of Law.

The validity, construction and enforcement of this Agreement and the determination of the rights and duties of the parties hereto shall be governed by, and construed and enforced in accordance with, the internal laws in effect in the State of Georgia.

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

“OBLIGORS”:

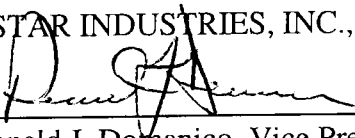
CARAUSTAR INDUSTRIES, INC.
CARAUSTAR CUSTOM PACKAGING GROUP, INC.
CARAUSTAR RECOVERED FIBER GROUP, INC.
CARAUSTAR INDUSTRIAL AND CONSUMER PRODUCTS
GROUP, INC.
CARAUSTAR MILL GROUP, INC.
SPRAGUE PAPERBOARD, INC.
PBL INC.
GYPSUM MGC, INC.
MCQUEENEY GYPSUM COMPANY
FEDERAL TRANSPORT, INC.
CAMDEN PAPERBOARD CORPORATION
HALIFAX PAPER BOARD COMPANY, INC.
CARAUSTAR CUSTOM PACKAGING GROUP
(MARYLAND), INC.
CHICAGO PAPERBOARD CORPORATION

By: 

Ronald J. Domanico
Vice President of each of the foregoing entities

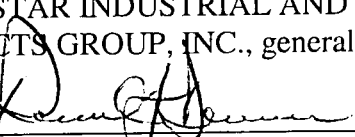
CARAUSTAR, G.P.

By: CARAUSTAR INDUSTRIES, INC., general partner

By: 

Ronald J. Domanico, Vice President

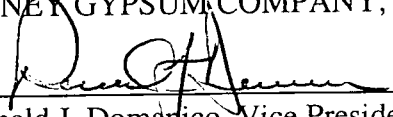
By: CARAUSTAR INDUSTRIAL AND CONSUMER
PRODUCTS GROUP, INC., general partner

By: 

Ronald J. Domanico, Vice President

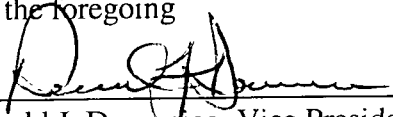
MCQUEENY GYPSUM COMPANY, LLC

By: MCQUEENY GYPSUM COMPANY, sole member

By: 
Ronald J. Domarico, Vice President

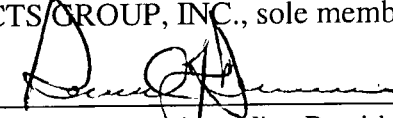
PARADIGM CHEMICAL & CONSULTING, LLC
RECCMG, LLC

By: CARAUSTAR MILL GROUP, INC., sole member
of each of the foregoing

By: 
Ronald J. Domarico, Vice President


CICPG, LLC

By: CARAUSTAR INDUSTRIAL AND CONSUMER
PRODUCTS GROUP, INC., sole member

By: 
Ronald J. Domarico, Vice President

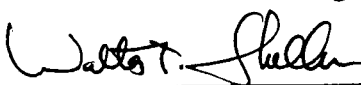
AUSTELL HOLDING COMPANY, LLC

By: CARAUSTAR INDUSTRIES, INC., sole member

By: 
Ronald J. Domarico, Vice President

“AGENT”:




BANK OF AMERICA, N.A., as Agent

By: 
Walter T. Shellman, Vice President

SCHEDULE A

Listing of Trademark Registrations and Applications

Record Owner	Mark	Country	Status / Reg. No.
Caraustar Industries, Inc.	KRAFTONE®	US	Reg. No. 2,482,325
Caraustar Industries, Inc.	ECONOPOUR®	US	Reg. No. 2,082,467
Caraustar Industries, Inc.	REPELKOTE®	US	Reg. No. 2,402,429
Caraustar Industries, Inc.	WHITONE®	US	Reg. No. 2,569,625
Caraustar Industries, Inc.	INVERTOP®	US	Reg. No. 2,674,866
Caraustar Industries, Inc.	INVERFREEZ®	US	Reg. No. 2,674,865
Caraustar Industries, Inc.	BLISTONE®	US	Reg. No. 2,677,688
Caraustar Industries, Inc.	CARA M™	US	Reg. No. 2,713,125
Caraustar Industries, Inc.	STATONE®	US	Reg. No. 2,677,633
Caraustar Industries, Inc.	Q-SMOOTH®	US	Reg. No. 2,119,723
Caraustar Industries, Inc.	A-PAK®	US	Reg. No. 2,173,974
Caraustar Industries, Inc.	PROTECH®	US	Reg. No. 1,440,580
Caraustar Industries, Inc.	Q STACK®	US	Reg. No. 1,804,449
Caraustar Industries, Inc.	QPM®	US	Reg. No. 1,454,240

Record Owner	Mark	Country	Status / Reg. No.
Caraustar Industries, Inc.	 ®	US	Reg. No. 777,217
Caraustar Industries, Inc.	CONDUCTCOR®	US	Reg. No. 1,449,648
Caraustar Industries, Inc.	TURF TUBES®	US	Reg. No. 2,363,457 (Sup Reg)
Caraustar Industries, Inc.	QUICK GRAB®	US	Reg. No. 2,269,147
Caraustar Industries, Inc.	BRITONE®	US	Reg. No. 1,031,428
Caraustar, G.P.	CARAUSTAR®	US	Reg. No. 2,484,548
Caraustar, G.P.	 ®	US	Reg. No. 2,484,511
Caraustar, G.P.	 Caraustar ®	US	Reg. No. 2,484,512
Caraustar Industrial and Consumer Products Group, Inc.	K-SAFE®	US	Reg. No. 1,693,969
Caraustar Industrial and Consumer Products Group, Inc.	PLASTICS ON DEMAND (POD)®	US	Reg. No. 2,488,014
Caraustar Industrial and Consumer Products Group, Inc.	K-SEAL®	US	Reg. No. 1,595,416
Caraustar Industrial and Consumer Products Group, Inc.	K-WRAP®	US	Reg. No. 1,656,832
Sprague Paperboard, Inc.	INVERKOTE®	US	Reg. No. 2,543,641
Caraustar Custom Packaging Group	Shape-Up	US	Reg. No. 2240217

Record Owner	Mark	Country	Status / Reg. No.
(Maryland), Inc.			
Caraustar Custom Packaging Group (Maryland), Inc.	Fit-Rite Deluxe	US	Reg. No. 2138562
Caraustar Custom Packaging Group (Maryland), Inc.	Contour	US	Reg. No. 2123570
Caraustar Custom Packaging Group (Maryland), Inc.	CPC Staiz	US	Reg. No. 2121524
Caraustar Custom Packaging Group (Maryland), Inc.	Pops-On	US	Reg. No. 2121523
Caraustar Custom Packaging Group (Maryland), Inc.	EZ LOK	US	Reg. No. 2147348
Caraustar Custom Packaging Group (Maryland), Inc.	Form-It	US	Reg. No. 2123569
Caraustar Custom Packaging Group (Maryland), Inc.	Snap-Pak	US	Reg. No. 2148958

Trademark Applications

Record Owner	Mark	Country	Status / Serial No.
Caraustar Industries, Inc.	Q-LOCK™	US	Serial No. 76/500,254 Filed: 03-24-2003
Caraustar Industries, Inc.	KONVA-KORE™	US	Serial No. 76/510,206 Filed: 04-28-2003

EXHIBIT A

Assignment of Trademarks and Goodwill

THIS ASSIGNMENT dated the ___ day of _____, 20___, from _____, a _____ (the "Assignor"), to BANK OF AMERICA, N.A., as Agent (the "Assignee"), recites and provides:

WHEREAS, the Assignor is the owner of certain trademarks and service marks and the registrations and applications to register therefor listed in Schedule A hereto (the "Trademarks"); and

WHEREAS, the Assignee desires to obtain for the Lenders party to the June 24, 2003 Credit Agreement among the Assignor, certain affiliates of the Assignor, the Assignee, the lenders from time to time party thereto (the "Lenders"), and Banc of America Securities LLC, as Arranger, all of the Assignor's right, title and interest in all such Trademarks.

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Assignor hereby grants, assigns and conveys to the Assignee, its successors and assigns, the entire right, title and interest of the Assignor in and to the Trademarks, including without limitation all proceeds thereof (such as, by way of example, license royalties and proceeds of infringement suits), and the right to sue for past, present and future infringements, together with the goodwill of the business symbolized by the Trademarks. The Assignor acknowledges that it has granted the Assignee the right to secure the assets of the Assignor associated with the business symbolized by the Trademarks, under separate agreement.

The Assignor further agrees to execute such further instruments and documents and perform such further acts as the Assignee may deem necessary to secure to the Assignee the rights herein conveyed.

The Assignor warrants and represents that it is the sole owner of the interest conveyed hereunder and that such interest is not the subject of any prior transfer, assignment, lien, mortgage or other transaction which would affect the Assignor's ability to transfer such interest.

The Assignor further agrees to indemnify the Assignee and the Lenders for any breach of the above warranty.

IN WITNESS WHEREOF, the Assignor has executed this Assignment as of the day and year first above written.

[Obligor's name]

By: _____

Name: _____

Title: _____