

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
Specialized Packaging (London) Company ULC		12/27/2004	unlimited liability company: NOVA SCOTIA
RECEIVING PARTY DATA			
Name:	The Peninsula Fund III Limited Partnership		
Street Address:	535 Griswold Street		
Internal Address:	Suite 2050		
City:	Detroit		
State/Country:	MICHIGAN		
Postal Code:	48226		
Entity Type:	LIMITED PARTNERSHIP: DELAWARE		
PROPERTY NUMBERS Total: 1			
Property Type	Number	Word Mark	
Registration Number:	1872477	PAKASTRIP	
CORRESPONDENCE DATA			
Fax Number:	(202)659-1559		
	<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>		
Phone:	(202) 659 - 6944		
Email:	MBergsman@dickinsonwright.com		
Correspondent Name:	Marc A. Bergsman		
Address Line 1:	Dickinson Wright PLLC		
Address Line 2:	1901 L Street, N.W., Suite 800		
Address Line 4:	Washington, DISTRICT OF COLUMBIA 20036		
NAME OF SUBMITTER:	Marc A. Bergsman		
Signature:	/Marc A. Bergsman/		
Date:	03/01/2005		

OP \$40.00 1872477

Total Attachments: 10

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THIS COLLATERAL ASSIGNMENT OF TRADEMARKS AND SECURITY AGREEMENT IS SUBJECT TO A SUBORDINATION AGREEMENT (THE "SUBORDINATION AGREEMENT") DATED AS OF THE DATE HEREOF AMONG THE ASSIGNOR (AS DEFINED BELOW), THE OTHER CREDIT PARTIES, THE LENDER, AND FLEET CAPITAL CORPORATION (THE "SENIOR LENDER"), THAT, AMONG OTHER THINGS, SUBORDINATES (TO THE EXTENT AND IN THE MANNER DESCRIBED THEREIN) THE ASSIGNOR'S OBLIGATIONS TO THE LENDER TO THE ASSIGNOR'S OBLIGATIONS TO THE SENIOR LENDER.

**COLLATERAL ASSIGNMENT OF
TRADEMARKS AND SECURITY AGREEMENT**

THIS COLLATERAL ASSIGNMENT OF TRADEMARKS AND SECURITY AGREEMENT (this "Agreement") is made on the 27th day of December, 2004 between **SPECIALIZED PACKAGING (LONDON) COMPANY ULC**, a Nova Scotia unlimited liability company having a mailing address of 7 Laurel Park Square, 3190 Whitney Avenue, Hamden, Connecticut 06518-2340 ("Assignor"), and **THE PENINSULA FUND III LIMITED PARTNERSHIP**, a Delaware limited partnership having a place of business at c/o Peninsula Capital Partners L.L.C., The Buhl Building, 535 Griswold Street, Suite 2050, Detroit, Michigan 48226 ("Lender").

BACKGROUND. Assignor, Lender and certain other Credit Parties named therein have entered into that certain Note Purchase Agreement dated as of even date herewith (as amended or modified from time to time, including any agreement entered into in replacement thereof, the "Note Purchase Agreement"). The Specialized Packaging Group, Inc. and Lender have also entered into that certain Warrant and Preferred Stock Purchase Agreement dated as of even date herewith (as amended or modified from time to time, including any agreement entered into in replacement thereof, the "Warrant Agreement"). It is a condition precedent to the Lender's purchasing the Senior Subordinated Notes, the Warrants and the Preferred Stock or otherwise extending credit or providing financial accommodations to Assignor and the other Credit Parties under the Note Purchase Agreement, the Warrant Agreement and the Other Agreements that Assignor enter into this Agreement. This Agreement is being executed contemporaneously with a Security Agreement under which the Lender is granted a lien on and security interest in, among other things, machinery, equipment formulations, manufacturing procedures, quality control procedures and product specifications of the Assignor ("Other Assets") relating to products sold under the Trademarks (as defined below), whereby Lender shall have the right to foreclose on the Trademarks and the Other Assets in the event of the occurrence and continuance of an Event of Default under the Note Purchase Agreement or the Other Agreements, in order that the owner of the Trademarks may continue the manufacture of products to be sold under the Trademarks and maintain substantially the same product specifications and quality as maintained by Assignor. All capitalized terms used herein but not defined shall have the meanings set forth in the Note Purchase Agreement.

NOW, THEREFORE, in consideration of the premises, Assignor hereby agrees with Lender as follows:

1. To secure the complete and timely satisfaction of all Senior Subordinated Obligations, Assignor hereby grants, assigns and conveys to Lender the entire right, title and interest in and to the trademark applications and trademarks listed in Schedule A hereto (as the same may be amended pursuant hereto from time to time), including without limitation all renewals thereof, all proceeds of infringement suits, the right to sue for past, present and future infringements (subject to paragraph 13 below) and all rights corresponding thereto throughout the world (all of the foregoing are collectively called the "Trademarks") provided that such grant, assignment, transfer and conveyance shall be and become of force and effect only (i) upon or after the occurrence and during the continuance of an Event of Default and (ii) either (A) upon the written demand of the Lender at any time during such continuance or (B) immediately and automatically (without notice or action of any kind by the Lender) upon an Event of Default for which acceleration of the Senior Subordinated Obligations is automatic under the Note Purchase Agreement and the Other Agreements (collectively referred to herein as the "Loan Documents") or upon the sale or other disposition of or foreclosure upon the Collateral pursuant to the Loan Documents and applicable law (including the transfer or other disposition of Collateral by the Assignor to the Lender or their nominee in lieu of foreclosure), and the good will of the business to which each of the Trademarks relates.

2. Assignor covenants and warrants that:

- (a) The Trademarks are subsisting and have not been adjudged invalid or unenforceable;
- (b) To the best of Assignor's knowledge, each of the Trademarks is valid and enforceable;
- (c) No claim has been made that the use of any of the Trademarks does or may violate the rights of any third person;
- (d) Assignor is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each of the Trademarks, free and clear of any liens, charges and encumbrances, including without limitation pledges, assignments, licenses, registered user agreements and covenants by Assignor not to sue third persons (other than liens, charges and encumbrances in favor of the Senior Lender);
- (e) Assignor has the unqualified right to enter into this Agreement and perform its terms;
- (f) Assignor has used, and will continue to use for the duration of this Agreement, proper statutory notice in connection with its use of the Trademarks; and
- (g) Assignor has used, and will continue to use for the duration of this Agreement, consistent standards of quality in its manufacture of products sold under the Trademarks.

3. Assignor hereby grants to Lender and its employees and agents the right to visit Assignor's plants and facilities which manufacture, inspect or store products sold under any of the Trademarks, and to inspect the products and quality control records relating thereto with reasonable notice at reasonable times during regular business hours. Assignor shall do any and all acts required by Lender to ensure Assignor's compliance with paragraph 2(g).

4. Assignor agrees that, until all of the Senior Subordinated Obligations shall have been satisfied in full, it will not enter into any agreement, including without limitation a license agreement, which is inconsistent with Assignor's obligations under this Agreement, without Lender's prior written consent.

5. If, before the Senior Subordinated Obligations shall have been satisfied in full, Assignor shall obtain rights to any new trademarks, the provisions of paragraph 1 shall automatically apply thereto and Assignor shall give Lender prompt written notice thereof.

6. Assignor authorizes Lender to modify this Agreement by amending Schedule A to include any future trademarks and trademark applications covered by paragraphs 1 and 5 hereof.

7. Assignor agrees not to sell or assign its interest in, or grant any sublicense under, the Trademarks, without the prior written consent of Lender.

8. If any Event of Default shall have occurred and be continuing, the Lender 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 located and, without limiting the generality of the foregoing, the Lender may immediately, without demand of performance and without other notice (except as set forth below) or demand whatsoever to Assignor, all of which are hereby expressly waived, and without advertisement, sell at public or private sale or otherwise realize upon, all or from time to time any portion of the Trademarks, or any interest which the Assignor may have therein, and after deducting from the proceeds of sale or other disposition of the Trademarks all expenses (including all reasonable expenses for broker's fees and legal services), shall apply the residue of such proceeds after payment of the Senior Subordinated Obligations. Any remainder of the proceeds after payment in full of the Senior Subordinated Obligations shall be paid over to the Assignor. Notice of any sale or other disposition of the Trademarks shall be given to Assignor at least five (5) days before the time of any intended public or private sale or other disposition of the Trademarks is to be made, which Assignor hereby agrees shall be reasonable notice of such sale or other disposition. At any such sale or other disposition, Lender or its successors and assigns 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 Assignor, which right is hereby waived and released.

9. If any Event of Default shall have occurred and be continuing, Assignor hereby authorizes and empowers Lender to make, constitute and appoint any officer or agent of Lender, as Lender may select in its exclusive discretion, as Assignor's true and lawful attorney-in fact, with the power to endorse Assignor's name on all applications, documents, papers and

instruments necessary for Lender to use the Trademarks, or to grant or issue any exclusive or nonexclusive license under the Trademarks to any third person, or necessary for Lender to assign, pledge, convey or otherwise transfer title in or dispose of the Trademarks to any third person. Assignor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney shall be irrevocable for the life of this Agreement.

10. At such time as Assignor shall completely satisfy all of the Senior Subordinated Obligations, this Agreement shall terminate and Lender shall execute and deliver to Assignor all deeds, assignments and other instruments as may be necessary or proper to vest in Assignor full title to the Trademarks, subject to any disposition thereof which may have been made by Lender pursuant hereto.

11. Any and all fees, costs and expenses, of whatever kind or nature, including the reasonable attorney's fees and legal expenses incurred by Lender in connection with the filing or recording of any documents (including all taxes in connection therewith) in public offices, the payment or discharge of any taxes, counsel fees, maintenance fees, encumbrances or otherwise protecting, maintaining or preserving the Trademarks, or in defending or prosecuting any actions or proceedings arising out of or related to the Trademarks (subject to the provisions of paragraph 13 below), shall be borne and paid by Assignor on demand by Lender and until so paid shall be added to the principal amount of the Senior Subordinated Obligations and shall bear interest at the highest rate prescribed in the Note Purchase Agreement.

12. Assignor shall have the duty, through counsel acceptable to Lender, to prosecute diligently any trademark applications of the Trademarks pending as of the date of this Agreement or thereafter until the Senior Subordinated Obligations shall have been paid in full, to make federal application on registrable but unregistered Trademarks, to file and prosecute opposition and cancellation proceedings and to do any and all acts which are necessary or desirable to preserve and maintain all rights in the Trademarks. Any expenses incurred in connection with the Trademarks shall be borne by Assignor. The Assignor shall not abandon any Trademark without the consent of the Lender, which consent shall not be unreasonably withheld.

13. Unless and until there shall have occurred and be continuing an Event of Default (as defined in the Note Purchase Agreement), Assignor shall have the right, with the prior written consent of Lender, which will not be unreasonably withheld, to bring any opposition proceedings, cancellation proceedings or lawsuit in its own name to enforce or protect the Trademarks, in which event Lender may, if necessary, be joined as a nominal party to such suit if Lender shall have been satisfied that it is not thereby incurring any risk of liability because of such joinder. Assignor shall promptly, upon demand, reimburse and indemnify Lender for all damages, costs and expenses, including attorney's fees, incurred by Lender in the fulfillment of the provisions of this paragraph 13.

14. In the event of the occurrence of an Event of Default under the Note Purchase Agreement, Assignor hereby authorizes and empowers Lender to make, constitute and appoint any officer or agent of Lender as Lender may select, in its exclusive discretion, as Assignor's true and lawful attorney-in-fact, with the power to endorse Assignor's name on all applications, documents, papers and instruments necessary for Lender to use the Trademarks, or to grant or

issue any exclusive or nonexclusive license under the Trademarks to anyone else, or necessary for Lender to assign, pledge, convey or otherwise transfer title in or dispose of the Trademarks to anyone else. Assignor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney shall be irrevocable for the life of this Agreement.

15. If Assignor fails to comply with any of its obligations hereunder, Lender may do so in Assignor's name or in Lender's name, but at Assignor's expense, and Assignor hereby agrees to reimburse Lender in full for all expenses, including reasonable attorney's fees, incurred by Lender in protecting, defending and maintaining the Trademarks.

16. No course of dealing between Assignor and Lender, nor any failure to exercise, nor any delay in exercising, on the part of Lender, any right, power or privilege hereunder or under the Note Purchase Agreement shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

17. All of Lender's rights and remedies with respect to the Trademarks, whether established hereby or by the Note Purchase Agreement, or by any other agreements or by law shall be cumulative and may be exercised singularly or concurrently.

18. 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.

19. This Agreement is subject to modification only by a writing signed by the parties, except as provided in paragraph 6.

20. 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.

21. The validity and interpretation of this Agreement and the rights and obligations of the parties shall be governed by the internal laws of the State of Michigan without regard to its conflict of laws provisions.

22. This Agreement may be signed in any number of counterparts with the same effect as if the signatures thereto and hereto were upon the same instrument. Any signature delivered by facsimile will be deemed an original.

[Balance of page intentionally remains blank.]

WITNESS the execution hereof as of the day and year first above written.

ASSIGNOR:

**SPECIALIZED PACKAGING (LONDON)
COMPANY ULC**

By: _____

Name: _____

Its: _____

LENDER:

**THE PENINSULA FUND III LIMITED
PARTNERSHIP**

By: Peninsula Capital Partners L.L.C.

Its: General Partner

By: _____

Scott A. Reilly

Its: President and Chief Investment
Officer

WITNESS the execution hereof as of the day and year first above written.

ASSIGNOR:

**SPECIALIZED PACKAGING (LONDON)
COMPANY ULC**

By: _____

Name: _____

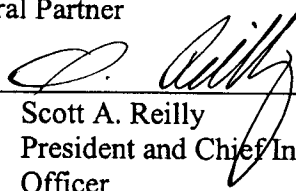
Its: _____

LENDER:

**THE PENINSULA FUND III LIMITED
PARTNERSHIP**

By: Peninsula Capital Partners L.L.C.

Its: General Partner

By:  _____

Scott A. Reilly

Its: President and Chief Investment
Officer

CERTIFICATE OF ACKNOWLEDGMENT

STATE OF CONNECTICUT)
)
) ss. ~~NEW HAVEN~~
COUNTY OF NEW HAVEN) HAMDEN

On this 27 day of December, 2004, before me, personally appeared Carlin L. Nichols
Carlin L. Nichols of Specialized Packaging (London) Company
ULC, signer and sealer of the foregoing instrument and acknowledged the same to be his free act
and deed and the free act and deed of said unlimited liability company.

[Signature]
Commissioner of the Superior Court
Notary MICHAEL DEAN AMATO, ESQ
My Commission Expires: _____

STATE OF MICHIGAN)
)
) ss.
COUNTY OF _____)

On this _____ day of December, 2004, before me in _____ County, Michigan,
personally appeared Scott A. Reilly, President and Chief Investment Officer of Peninsula Capital
Partners L.L.C., the general partner of The Peninsula Fund III Limited Partnership, signer and
sealer of the foregoing instrument and acknowledged the same to be his free act and deed and the
free act and deed of said limited liability company.

Name: _____
Notary Public, State of Michigan, County of _____
My Commission Expires _____
Acting in the County of _____

CERTIFICATE OF ACKNOWLEDGMENT

STATE OF CONNECTICUT)
) ss. NEW HAVEN
COUNTY OF _____)

On this ___ day of December, 2004, before me, personally appeared _____
_____, _____ of Specialized Packaging (London) Company
ULC, signer and sealer of the foregoing instrument and acknowledged the same to be his free act
and deed and the free act and deed of said unlimited liability company.

Commissioner of the Superior Court
Notary Public
My Commission Expires: _____

STATE OF MICHIGAN)
) ss.
COUNTY OF CAKLAND)

On this 21 day of December, 2004, before me in WAYNE County, Michigan,
personally appeared Scott A. Reilly, President and Chief Investment Officer of Peninsula Capital
Partners L.L.C., the general partner of The Peninsula Fund III Limited Partnership, signer and
sealer of the foregoing instrument and acknowledged the same to be his free act and deed and the
free act and deed of said limited liability company.

JONATHAN P. KREMPEL
NOTARY PUBLIC OAKLAND CO., MI
COMMISSION EXPIRES Feb 14, 2006

[Signature]
Name: Jonathan P. Krempel
Notary Public, State of Michigan, County of CAKLAND
My Commission Expires 2/14/06
Acting in the County of WAYNE

Schedule A to Collateral Assignment of Trademarks and Security Agreement dated December 27, 2004, between Specialized Packaging (London) Company ULC and The Peninsula Fund III Limited Partnership

<u>Mark</u>	<u>Registration/Application Number</u>	<u>Status</u>
PAKASTRIP	1,872,477	Registered

DETROIT 26950-26 850296v04

Collateral Assignment of Trademarks and
Security Agreement – Specialized Packaging
(London) Company ULC