



**ACKNOWLEDGEMENT OF TERMINATION OF SECURITY INTERESTS**

This **ACKNOWLEDGEMENT OF TERMINATION OF SECURITY INTERESTS** is executed by Orchids Paper Products Company (hereinafter "Orchids"), a Delaware corporation having a principal place of business at 4826 Hunt Street, Pryor, Oklahoma 74361, and refers to security agreements executed by and between Orchids and Madeleine LLC (hereinafter "Madeleine"), a New York limited liability company having an office at 450 Park Avenue, New York, New York 10022, and by and between Orchids and Congress Financial Corporation (Southwest) (hereinafter "Congress"), a Delaware corporation having an office at 1201 Main Street, Suite 1625, Dallas, Texas 75202.

**WHEREAS**, Orchids and Madeleine executed a security agreement on April 24, 1998, whereby Orchids granted Madeleine a security interest in U.S. Trademark Registration No. 952698 (Serial No. 72/405,404) for PRESERVE® ("the Mark") (recorded in the U.S. Patent and Trademark Office on May 12, 1998, Reel 1724, Frame 0692; corrective filing recorded on September 18, 2001, Reel 2372, Frame 0285);

**WHEREAS**, Orchids and Congress executed a security agreement on April 24, 1998, whereby Orchids granted Congress a security interest in the Mark (recorded in the U.S. Patent and Trademark Office on May 12, 1998, Reel 1724, Frame 0709); and

**WHEREAS**, Orchids assigned its entire right, title, and interest in and to the Mark to von Drehle Corporation, a North Carolina corporation, having a principal place of business at 612 Third Avenue, Hickory, North Carolina 28601, on November 10, 1999 (recorded in the U.S. Patent and Trademark Office on February 1, 2000, Reel 2034, Frame 0432).

**NOW, THEREFORE**, Orchids acknowledges that the obligations incurred by Orchids and referenced in the security agreements as between Orchids and Madeleine, and Orchids and Congress, respectively, are now satisfied and complete, thus the security interests in the Mark previously granted to Madeleine and Congress under the terms of the respective security agreements are now void as against the Mark.

**SIGNED AND SEALED** this 6 day of October, 2005.

**ORCHIDS PAPER PRODUCTS COMPANY**By: 

Name: Mr. Keith Schroeder

Title: CFO

STATE OF OKLAHOMA  
COUNTY OF Mayes

This 6<sup>th</sup> day of October, 2005, before me personally came the above-named Keith R. Schroeder, to me personally known as the individual who executed the foregoing termination on behalf of Orchids Paper Products Company, who has acknowledged to me that he executed the same of his own free will and as the free will of Orchids Paper Products Company, for the purposes therein set forth.

Laura Job 00006373  
Notary Public exp: 4-22-08



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