

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT		
NATURE OF CONVEYANCE:	Grant of Security Interest in Trademark Rights - First Lien		
CONVEYING PARTY DATA			
Name	Formerly	Execution Date	Entity Type
Morflex, Inc.		07/10/2006	CORPORATION: NORTH CAROLINA
RECEIVING PARTY DATA			
Name:	JPMorgan Chase Bank, N.A., as Administrative Agent		
Street Address:	P.O. Box 2558		
City:	Houston		
State/Country:	TEXAS		
Postal Code:	77252		
Entity Type:	National Banking Association:		
PROPERTY NUMBERS Total: 6			
Property Type	Number	Word Mark	
Registration Number:	0619747	CITROFLEX	
Registration Number:	1724941	MORFLEX	
Registration Number:	1712894	MORFLEX	
Registration Number:	0552218	MORFLEX	
Serial Number:	78683105	MORPEL	
Registration Number:	2791662	ULTRA DEET	
CORRESPONDENCE DATA			
Fax Number:	(212)455-2502		
	<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>		
Phone:	(212) 455-7609		
Email:	ksolomon@stblaw.com		
Correspondent Name:	Kirstie Howard, Esq.		
Address Line 1:	Simpson Thacher & Bartlett LLP		
Address Line 2:	425 Lexington Avenue		
Address Line 4:	New York, NEW YORK 10017		

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ATTORNEY DOCKET NUMBER:	509265/1232
NAME OF SUBMITTER:	Kirstie Howard
Signature:	/kh/
Date:	10/09/2006
Total Attachments: 5 source=MFlexTJP#page1.tif source=MFlexTJP#page2.tif source=MFlexTJP#page3.tif source=MFlexTJP#page4.tif source=MFlexTJP#page5.tif	

GRANT OF
SECURITY INTEREST IN TRADEMARK RIGHTS

This GRANT OF SECURITY INTEREST IN TRADEMARK RIGHTS (“Agreement”), dated as of July 10, 2006 is made by MORFLEX, INC., a North Carolina corporation (the “Grantor”), in favor of JPMORGAN CHASE BANK, N.A., a national banking association, as Administrative Agent (the “Agent”) for the several banks and other financial institutions (the “Lenders”), parties to the First Lien Credit Agreement, dated as of July 10, 2006 (as amended, supplemented or otherwise modified from time to time, the “First Lien Credit Agreement”), among Vertellus Specialties Holdings Corp., Vertellus Specialties Inc. (the “Borrower”), the Lenders, the Agent and the syndication agent party thereto.

W I T N E S S E T H:

WHEREAS, pursuant to the First Lien Credit Agreement, the Lenders have severally agreed to make extensions of credit to the Borrower upon the terms and subject to the conditions set forth therein; and

WHEREAS, in connection with the First Lien Credit Agreement, the Grantor and certain other related entities of the Borrower have executed and delivered a First Lien Guarantee and Collateral Agreement, dated as of July 10, 2006, in favor of the Agent (together with all amendments and modifications, if any, from time to time thereafter made thereto, the “First Lien Guarantee and Collateral Agreement”);

WHEREAS, pursuant to the First Lien Guarantee and Collateral Agreement, the Grantor pledged and granted to the Agent for the benefit of the Agent and the Lenders a continuing first priority security interest in all Intellectual Property, including the Trademarks; and

WHEREAS, the Grantor has duly authorized the execution, delivery and performance of this Agreement;

NOW THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, and in order to induce the Lenders to make extensions of credit and financial accommodations to the Borrower pursuant to the First Lien Credit Agreement, the Grantor agrees, for the benefit of the Agent and the Lenders, as follows:

SECTION 1. Definitions. Unless otherwise defined herein or the context otherwise requires, terms used in this Agreement, including its preamble and recitals, have the meanings provided or provided by reference in the First Lien Credit Agreement and the First Lien Guarantee and Collateral Agreement.

SECTION 2. Grant of Security Interest. The Grantor hereby pledges and grants a continuing first priority security interest in, and a right of setoff against, and agrees to assign, transfer and convey, upon demand made upon the occurrence and during the continuance of an Event of Default without requiring further action by either party and to be effective upon such demand, all of the Grantor's right, title and interest in, to and under the Trademarks (including, without limitation, those items listed on Schedule A hereto) (collectively, the "Collateral"), to the Agent for the benefit of the Agent and the Lenders as collateral security for the prompt and complete payment and performance when due (whether at the stated maturity, by acceleration or otherwise) of such Grantor's Obligations.

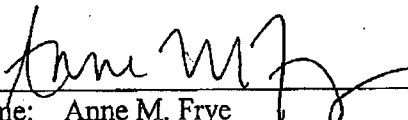
SECTION 3. Purpose. This Agreement has been executed and delivered by the Grantor for the purpose of recording the grant of security interest herein with the United States Patent and Trademark Office. The security interest granted hereby has been granted to the Lenders in connection with the First Lien Guarantee and Collateral Agreement and is expressly subject to the terms and conditions thereof. The First Lien Guarantee and Collateral Agreement (and all rights and remedies of the Lenders thereunder) shall remain in full force and effect in accordance with its terms.

SECTION 4. Acknowledgment. The Grantor does hereby further acknowledge and affirm that the rights and remedies of the Lenders with respect to the security interest in the Collateral granted hereby are more fully set forth in the First Lien Credit Agreement and the First Lien Guarantee and Collateral Agreement, the terms and provisions of which (including the remedies provided for therein) are incorporated by reference herein as if fully set forth herein. In the event of any conflict between the terms of this Agreement and the terms of the First Lien Guarantee and Collateral Agreement, the terms of the First Lien Guarantee and Collateral Agreement shall govern.

SECTION 5. Counterparts. This Agreement may be executed in counterparts, each of which will be deemed an original, but all of which together constitute one and the same original.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the day and year first above written.

MORFLEX, INC.

By: 
Name: Anne M. Frye
Title: Vice President & Secretary

JPMORGAN CHASE BANK, N.A.
as Administrative Agent for the Lenders

By: _____
Name:
Title:

ACKNOWLEDGMENT OF GRANTOR

STATE OF)
) ss
COUNTY OF)

On the 6th day of October, 2006, before me personally came Anne M. Frye, who is personally known to me to be the Vice President & Secretary of Morflex, Inc., a North Carolina corporation; who, being duly sworn, did depose and say that she is the Vice President & Secretary in such corporation, the corporation described in and which executed the foregoing instrument; that she/he executed and delivered said instrument pursuant to authority given by the Board of Directors of such corporation; and that she/he acknowledged said instrument to be the free act and deed of said corporation.

Karen Jung

Notary Public

Commission Expires 7/18/2013



(PLACE STAMP AND SEAL ABOVE)

SCHEDULE A

U.S. Trademark Registrations and Applications

Mark	Registration or Application Number
CITROFLEX	619,747
MORFLEX AND DESIGN	1,724,941
MORFLEX AND DESIGN	1,712,894
MORFLEX	552,218
MORPEL	78/683,105
ULTRA DEET	2,791,662