

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

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|-----------------------|--------------------|
| SUBMISSION TYPE: | NEW ASSIGNMENT |
| NATURE OF CONVEYANCE: | Security Agreement |

CONVEYING PARTY DATA

| Name | Formerly | Execution Date | Entity Type |
|--------------------------------------|----------|----------------|-----------------------|
| Applied Extrusion Technologies, Inc. | | 08/21/2007 | CORPORATION: DELAWARE |

RECEIVING PARTY DATA

| | |
|-----------------|-------------------------------------|
| Name: | Wachovia Bank, National Association |
| Street Address: | 1133 Avenue of the Americas |
| City: | New York |
| State/Country: | NEW YORK |
| Postal Code: | 10036 |
| Entity Type: | N/A: |

PROPERTY NUMBERS Total: 10

| Property Type | Number | Word Mark |
|----------------------|---------|-----------|
| Registration Number: | 2188748 | AET |
| Registration Number: | 2188747 | AET |
| Registration Number: | 1490169 | BXT |
| Registration Number: | 2815524 | HOTR |
| Registration Number: | 2731632 | SYNCARTA |
| Registration Number: | 2967549 | TOPPCURE |
| Registration Number: | 2846302 | TOPPCURE |
| Registration Number: | 2057521 | VISION |
| Registration Number: | 1586756 | WTF |
| Registration Number: | 3036327 | SYNDECOR |

CORRESPONDENCE DATA

Fax Number: (917)368-7136
 Correspondence will be sent via US Mail when the fax attempt is unsuccessful.

OP \$265.00 2188748

Phone: 212-905-3662
Email: mfarinas@oshr.com
Correspondent Name: Mercedes Farinas
Address Line 1: 230 Park Avenue
Address Line 2: Otterbourg, Steindler, Houston & Rosen
Address Line 4: New York, NEW YORK 10169

| | |
|--------------------|--------------------|
| NAME OF SUBMITTER: | Mercedes Farinas |
| Signature: | /Mercedes Farinas/ |
| Date: | 08/29/2007 |

Total Attachments: 23

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RECORDATION FORM COVER SHEET PATENTS ONLY

To the director of the U. S. Patent and Trademark Office: Please record the attached documents or the new address(es) below.

1. Name of conveying party(ies)/Execution Date(s):

Applied Extrusion Technologies, Inc.

Execution Date(s) August 21, 2007

Additional names of conveying parties attached? Yes

No

2. Name and address of receiving party(ies)

Name: Wachovia Bank, National Association

Internal
Address: _____

Street Address: 1133 Avenue of the Americas

City: New York

State: NY

Country: USA

Zip: 10036

Additional names, addresses, or citizenship attached? Yes No

3. Nature of conveyance:

- Assignment Merger
 Security Agreement Change of Name
 Government Interest
 Executive Order 9424, confirmatory License
 Other _____

4. Application or patent number(s)

A. Patent Application No. (s)
See Attached Exhibit A

This document is being filed together with a new application.

B. Patent No.(s)
See Attached Exhibit A

Additional numbers attached? Yes No

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

Name: Mercedes Farinas

Internal Address: Otterbourg, Steindler, Houston &
Rosen, P.C.

Street Address: 230 Park Avenue

City: New York

State: New York

Zip: 10169

Phone Number: 212-905-3662

Fax Number: 917-368-7136

Email Address: mfarinas@oshr.com

6. Total number of applications and registrations involved: 55

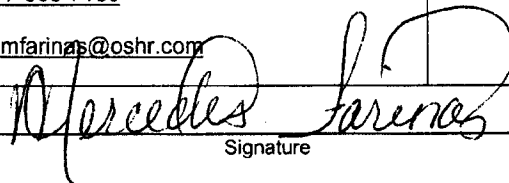
7. Total fee (37 CFR 1.21(h) & 3.41) \$

- Authorized to be charged by credit card
 Authorized to be charged to deposit account
 Enclosed
 None required (government interest not affecting title)

8. Payment Information:

- a. Credit Card Last 4 Numbers _____
Expiration Date _____
b. Deposit Account Number _____
Authorized User Name: _____

9. Signature:


Signature

Mercedes Farinas
Name of Person Signing

8/21/07
Date

Total number of pages including cover sheet, attachments,
and document. 23

PATENT COLLATERAL ASSIGNMENT AND SECURITY AGREEMENT

THIS PATENT COLLATERAL ASSIGNMENT AND SECURITY AGREEMENT ("Agreement"), dated August 21, 2007, is by and between APPLIED EXTRUSION TECHNOLOGIES, INC., a Delaware corporation ("Debtor"), and WACHOVIA BANK, NATIONAL ASSOCIATION, a national banking association, in its capacity as agent (in such capacity, "Secured Party") pursuant to the Loan Agreement (as hereinafter defined) acting for and on behalf of the financial institutions which are parties thereto, as lenders (each individually, a "Lender" and collectively, "Lenders").

WITNESSETH:

WHEREAS, Debtor has adopted, used and is using, and is the owner of the entire right, title, and interest in and to the patents and applications therefor described in Exhibit A hereto and made a part hereof;

WHEREAS, Debtor, certain affiliates of Debtor, Secured Party and Lenders have entered into or are about to enter into financing arrangements pursuant to which Secured Party and Lenders may make loans and advances and provide other financial accommodations to Debtor and certain affiliates of Debtor as set forth in the Loan and Security Agreement, dated of even date herewith, by and among Debtor, certain affiliates of Debtor, Secured Party and Lenders (as the same now exists or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced, the "Loan Agreement") and the other agreements, documents and instruments referred to therein or at any time executed and/or delivered in connection therewith or related thereto, including, but not limited to, this Agreement (all of the foregoing, together with the Loan Agreement, as the same now exist or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced, being collectively referred to herein as the "Financing Agreements"); and

WHEREAS, in order to induce Secured Party and Lenders to enter into the Loan Agreement and the other Financing Agreements and to make loans and advances and provide other financial accommodations to Debtor and certain affiliates of Debtor pursuant thereto, Debtor has agreed to grant to Secured Party certain collateral security as set forth herein.

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Debtor hereby agrees as follows:

1. GRANT OF SECURITY INTEREST

As collateral security for the prompt performance, observance and indefeasible payment in full of all of the Obligations (as hereinafter defined), Debtor hereby grants to Secured Party a continuing security interest in and a general lien upon, and a collateral assignment of, the following (being collectively referred to herein as the "Collateral"): (a) all of Debtor's now existing or hereafter acquired right, title and interest in and to all of Debtor's interest in any patents and all applications, registrations and recordings relating to the foregoing as may at any

time be filed in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof, any political subdivision thereof or in any other country, including, without limitation, those patents, applications, registrations and recordings described in Exhibit A hereto, together with all rights and privileges arising under applicable law with respect to Debtor's use of any patents and all reissues, divisions, continuations, extensions and renewals thereof (all of the foregoing being collectively referred to herein as the "Patents"); (b) all present and future inventions and improvements described and claimed therein; (c) all income, fees, royalties and other payments at any time due or payable with respect thereto, including, without limitation, payments under all licenses at any time entered into in connection therewith; (d) the right to sue for past, present and future infringements thereof; (e) all rights corresponding thereto throughout the world; and (f) any and all other proceeds of any of the foregoing, including, without limitation, all damages and payments or claims by Debtor against third parties for past or future infringement of the Patents.

2. OBLIGATIONS SECURED

The security interest, lien and other interests granted to Secured Party pursuant to this Agreement shall secure the prompt performance, observance and payment in full of any and all obligations, liabilities and indebtedness of every kind, nature and description owing by Debtor to Secured Party, Lenders and the other Secured Parties (such capitalized terms and all other capitalized terms used herein without being defined have the meanings provided for in the Loan Agreement) arising under the Financing Agreements, including principal, interest, charges, fees, costs and expenses, however evidenced, whether as principal, surety, endorser, guarantor or otherwise, whether now existing or hereafter arising, whether arising before, during or after the initial or any renewal term of the Loan Agreement or after the commencement of any case with respect to Debtor under the United States Bankruptcy Code or any similar statute (including, without limitation, the payment of interest and other amounts which would accrue and become due but for the commencement of such case, whether or not such amounts are allowed or allowable in whole or in part in such case and including loans, interest, fees, charges and expenses related thereto and all other obligations of Debtor to Secured Party, any Lender or any Secured Party arising after the commencement of such case), whether direct or indirect, absolute or contingent, joint or several, due or not due, primary or secondary, liquidated or unliquidated, secured or unsecured, and however acquired by Secured Party, any Lender or any Secured Party (all of the foregoing being collectively referred to herein as the "Obligations").

3. REPRESENTATIONS, WARRANTIES AND COVENANTS

Debtor hereby represents, warrants and covenants with and to Secured Party the following (all of such representations, warranties and covenants being continuing so long as any of the Obligations are outstanding):

(a) Debtor shall pay and perform all of the Obligations according to their terms.

(b) All of the existing Collateral is valid and subsisting in full force and effect, and Debtor owns the sole, full and clear title thereto (subject to the liens, claims, mortgages, assignments, licenses, security interests or encumbrances permitted under the Loan Agreement), and the right and power to grant the security interest and collateral assignment granted

hereunder. Debtor shall, at Debtor's expense, perform all acts and execute all documents necessary to maintain the existence of the Collateral consisting of registered Patents as registered patents and to maintain all of the Collateral as valid and subsisting, including, without limitation, the filing of any renewal affidavits and applications. The Collateral is not subject to any liens, claims, mortgages, assignments, licenses, security interests or encumbrances of any nature whatsoever, except (i) the security interests granted hereunder and pursuant to the Loan Agreement, (ii) the security interests permitted under the Loan Agreement and (iii) the licenses referred to under Section 3(c) below.

(c) Debtor shall not assign, sell, mortgage, lease, transfer, pledge, hypothecate, grant a security interest in or lien upon, encumber, grant an exclusive or non-exclusive license relating to the Collateral, or otherwise dispose of any of the Collateral, in each case without the prior written consent of Secured Party, except as otherwise permitted herein or in the Loan Agreement. Nothing in this Agreement shall be deemed a consent by Secured Party or any Lender to any such action, except as such action is expressly permitted hereunder.

(d) Debtor shall, at Debtor's expense, promptly perform all acts and execute all documents requested at any time by Secured Party to evidence, perfect, maintain, record or enforce the security interest in and collateral assignment of the Collateral granted hereunder or to otherwise further the provisions of this Agreement. Debtor hereby authorizes Secured Party to file one or more financing statements (or similar documents) with respect to the Collateral. Debtor further authorizes Secured Party to have this Agreement or any other similar security agreement filed with the Commissioner of Patents and Trademarks or any other appropriate federal, state or government office.

(e) As of the date hereof, Debtor does not have any Patents registered, or subject to pending applications, in the United States Patent and Trademark Office or any similar office or agency in the United States, any State thereof, any political subdivision thereof or in any other country, other than those described in Exhibit A hereto and has not granted any licenses with respect thereto other than as set forth in Exhibit B hereto.

(f) Debtor shall, concurrently with the execution and delivery of this Agreement, execute and deliver to Secured Party five (5) originals of a Special Power of Attorney in the form of Exhibit C annexed hereto for the implementation of the assignment, sale or other disposition of the Collateral pursuant to Secured Party's exercise of the rights and remedies granted to Secured Party hereunder; provided, that, such Special Powers of Attorney shall be effective only upon the occurrence and during the continuance of an Event of Default.

(g) Subject to the other terms hereof, Secured Party may, in its discretion, pay any amount or do any act which Debtor fails to pay or do as required hereunder or as requested by Secured Party to preserve, defend, protect, maintain, record or enforce the security interest and collateral assignment granted hereunder, including, but not limited to, all filing or recording fees, court costs, reasonable collection charges and reasonable attorneys' fees and legal expenses. Debtor shall be liable to Secured Party for any such payment, which payment shall be deemed an advance by Secured Party to Debtor, shall be payable promptly on demand together with interest at the rate then applicable to the Obligations set forth in the Loan Agreement and shall be part of the Obligations secured hereby.

(h) Debtor shall not file any application for the registration of a Patent with the United States Patent and Trademark Office or any similar office or agency in the United States, any State thereof or any political subdivision thereof, unless Debtor has given Secured Party five (5) days prior written notice of such action. If, after the date hereof, Debtor shall (i) obtain any patent, including any reissue, division, continuation, continuation-in-part, or extension of any patent, file any patent application, including any application for reissue or extension of any patent, or any divisional, continuation, or continuation-in-part application in the United States Patent and Trademark Office or in any similar office or agency in the United States, any State thereof, any political subdivision thereof or in any other country, or (ii) become the owner of any patent or new patentable inventions used in the United States, any State thereof or any political subdivision thereof, the provisions of Section 1 hereof shall automatically apply thereto. Upon the request of Secured Party, Debtor shall promptly execute and deliver to Secured Party any and all assignments, agreements, instruments, documents and such other papers as may reasonably be requested by Secured Party to evidence the security interest in and collateral assignment of such Patent in favor of Secured Party.

(i) Except in the exercise of its reasonable business judgment, Debtor has not abandoned any of the Patents and Debtor will not do any act, nor omit to do any act, whereby the Patents may become abandoned, invalidated, unenforceable, avoided or avoidable. Debtor shall notify Secured Party promptly if it knows or has reason to know of any reason why any application, registration, or recording with respect to the Patents may become abandoned, canceled, invalidated, avoided or avoidable.

(j) Subject to the terms of the Loan Agreement, Debtor shall render any assistance, as Secured Party shall reasonably determine is necessary, to Secured Party and Lenders in any proceeding before the United States Patent and Trademark Office, any federal or state court, or any similar office or agency in the United States, any State thereof or any political subdivision thereof, to maintain such application and registration of the Patents as Debtor's exclusive property and to protect Secured Party's interests therein, including, without limitation, filing of renewals, affidavits of use, affidavits of incontestability and opposition, interference, and cancellation proceedings.

(k) To the knowledge of Debtor, no material infringement or unauthorized use presently is being made of any of the Patents that would adversely affect in any material respect the fair market value of the Collateral (taken as a whole) or the benefits of this Agreement granted to Secured Party, including, without limitation, validity, priority or perfection of the security interest granted herein or the remedies of Secured Party hereunder. Except as Debtor has notified Agent in writing, there has been no judgment holding any of the Patents invalid or unenforceable, in whole or part nor is the validity or enforceability of any of the Patents presently being questioned in any litigation or proceeding to which Debtor is a party. Debtor shall promptly notify Secured Party if Debtor (or any affiliate or subsidiary thereof) learns of any use by any person of any other process or product which materially infringes upon any Patent. After the occurrence of an Event of Default, if requested by Secured Party, Debtor, at Debtor's sole expense, shall join with Secured Party in such action as Secured Party, in Secured Party's discretion, may deem advisable for the protection of Secured Party's interests in and to the Patents.

(l) Debtor assumes all responsibility and liability arising from the use of the Patents and Debtor hereby indemnifies and holds Secured Party and Lenders harmless from and against any claim, suit, loss, damage, or expense (including attorneys' fees and legal expenses) arising out of any alleged defect in any product manufactured, promoted, or sold by Debtor (or any affiliate or subsidiary thereof) in connection with any Patent or out of the manufacture, promotion, labeling, sale or advertisement of any such product by Debtor (or any affiliate or subsidiary thereof), except for any of the foregoing that results from the gross negligence or willful misconduct of Secured Party or any Lender as determined by the final non-appealable judgment of a court of competent jurisdiction. The foregoing indemnity shall survive the payment of the Obligations, the termination of this Agreement and the termination or non-renewal of the Loan Agreement.

(m) Debtor shall promptly pay Secured Party and Lenders for any and all reasonable expenditures made by Secured Party or any Lender pursuant to the provisions of this Agreement or for the defense, protection or enforcement of the Obligations, the Collateral, or the security interests and collateral assignment granted hereunder, including, but not limited to, all reasonable filing or recording fees, court costs, collection charges, travel expenses, and attorneys' fees and legal expenses. Such expenditures shall be payable promptly following demand, together with interest at the rate then applicable to the Obligations set forth in the Loan Agreement and shall be part of the Obligations secured hereby.

4. EVENTS OF DEFAULT

The occurrence of an Event of Default, as such term is defined in the Loan Agreement, shall constitute an "Event of Default" hereunder.

5. RIGHTS AND REMEDIES

At any time an Event of Default has occurred and is continuing, in addition to all other rights and remedies of Secured Party or any Lender, whether provided under this Agreement, the Loan Agreement, the other Financing Agreements, applicable law or otherwise, Secured Party shall have (subject to the terms of applicable law) the following rights and remedies which may be exercised without notice to, or consent by, Debtor except as such notice or consent is expressly provided for hereunder:

(a) Secured Party may make use of any Patents for the sale of goods, completion of work-in-process or rendering of services or otherwise in connection with enforcing any other security interest granted to Secured Party by Debtor or any subsidiary or affiliate of Debtor or for such other reason as Secured Party may determine.

(b) Secured Party may grant such license or licenses relating to the Collateral for such term or terms, on such conditions, and in such manner, as Secured Party shall in its discretion deem appropriate. Such license or licenses may be general, special or otherwise, and may be granted on an exclusive or non-exclusive basis throughout all or any part of the United States of America, its territories and possessions, and all foreign countries.

(c) Secured Party may assign, sell or otherwise dispose of the Collateral or any part thereof, either with or without special conditions or stipulations except that if notice to Debtor of

intended disposition of Collateral is required by law, the giving of ten (10) days prior written notice to Debtor of any proposed disposition shall be deemed reasonable notice thereof and Debtor waives any other notice with respect thereto. Secured Party shall have the power to buy the Collateral or any part thereof, and Secured Party shall also have the power to execute assurances and perform all other acts which Secured Party may, in its discretion, deem reasonably appropriate or proper to complete such assignment, sale, or disposition. In any such event, Debtor shall be liable for any deficiency.

(d) In addition to the foregoing, in order to implement the assignment, sale or other disposition of any of the Collateral pursuant to the terms hereof, Secured Party may, at any time after an Event of Default has occurred and during its occurrence, execute and deliver on behalf of Debtor, pursuant to the authority granted in the Powers of Attorney described in Section 3(f) hereof, one or more instruments of assignment of the Patents (or any application, registration, or recording relating thereto), in form suitable for filing, recording, or registration. Debtor agrees to pay Secured Party and Lenders promptly on demand all reasonable costs incurred in any such transfer of the Collateral, including, but not limited to, any taxes, fees, and attorneys' fees and legal expenses. Debtor agrees that Secured Party and Lenders have no obligation to preserve rights to the Patents against any other parties.

(e) Secured Party may first apply the proceeds actually received from any such license, assignment, sale or other disposition of any of the Collateral to the costs and expenses thereof, including, without limitation, attorneys' fees and all legal, travel and other expenses which may be incurred by Secured Party or Lenders. Thereafter, Secured Party may apply any remaining proceeds to such of the Obligations as Secured Party may in its discretion determine. Debtor shall remain liable to Secured Party and Lenders for any of the Obligations remaining unpaid after the application of such proceeds, and Debtor shall pay Secured Party on demand any such unpaid amount, together with interest at the rate then applicable to the Obligations set forth in the Loan Agreement.

(f) Debtor shall supply to Secured Party or to Secured Party's designee, Debtor's knowledge and expertise relating to the manufacture and sale of the products and services to which the Patents relate and Debtor's customer lists and other records relating to the Patents and the distribution thereof.

(g) Nothing contained herein shall be construed as requiring Secured Party or any Lender to take any such action at any time. All of Secured Party's and Lenders' rights and remedies, whether provided under this Agreement, the other Financing Agreements, applicable law, or otherwise, shall be cumulative and none is exclusive. Such rights and remedies may be enforced alternatively, successively, or concurrently.

6. JURY TRIAL WAIVER; OTHER WAIVERS AND CONSENTS; GOVERNING LAW

(a) The validity, interpretation and enforcement of this Agreement and the other Financing Agreements and any dispute arising out of the relationship between the parties hereto, whether in contract, tort, equity or otherwise, shall be governed by the internal laws of the State

of New York but excluding any principles of conflicts of law or other rule of law that would cause the application of the law of any jurisdiction other than the laws of the State of New York.

(b) Debtor and Secured Party irrevocably consent and submit to the non-exclusive jurisdiction of the Supreme Court of the State of New York for the County of New York and the United States District Court for the Southern District of New York, whichever Secured Party may elect and waive any objection based on venue or forum non conveniens with respect to any action instituted therein arising under this Agreement or any of the other Financing Agreements or in any way connected or related or incidental to the dealings of Debtor and Secured Party in respect of this Agreement or the other Financing Agreements or the transactions related hereto or thereto, in each case whether now existing or hereafter arising, and whether in contract, tort, equity or otherwise, and agree that any dispute with respect to any such matters shall be heard only in the courts described above (except that Secured Party shall have the right to bring any action or proceeding against Debtor or its property in the courts of any other jurisdiction which Secured Party deems necessary or appropriate in order to realize on the Collateral or to otherwise enforce its rights against Debtor or its property).

(c) DEBTOR AND SECURED PARTY EACH HEREBY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION (i) ARISING UNDER THIS AGREEMENT OR ANY OF THE OTHER FINANCING AGREEMENTS OR (ii) IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF DEBTOR AND SECURED PARTY OR ANY LENDER IN RESPECT OF THIS AGREEMENT OR ANY OF THE OTHER FINANCING AGREEMENTS OR THE TRANSACTIONS RELATED HERETO OR THERETO IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER IN CONTRACT, TORT, EQUITY OR OTHERWISE. DEBTOR AND SECURED PARTY EACH HEREBY AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY AND THAT DEBTOR OR SECURED PARTY MAY FILE AN ORIGINAL COUNTERPART OF A COPY OF THIS AGREEMENT WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF DEBTOR AND SECURED PARTY TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.

(d) Notwithstanding any other provision contained herein, Secured Party and Lenders shall not have any liability to Debtor (whether in tort, contract, equity or otherwise) for losses suffered by Debtor in connection with, arising out of, or in any way related to the transactions or relationships contemplated by this Agreement, or any act, omission or event occurring in connection herewith, unless it is determined by a final and non-appealable judgment or court order binding on Secured Party or such Lender that the losses were the result of acts or omissions constituting gross negligence or willful misconduct.

7. MISCELLANEOUS

(a) All notices, requests and demands hereunder shall be in writing and shall be deemed to have been given or made: if delivered in person, immediately upon delivery; if by telex, telegram or facsimile transmission, immediately upon sending and upon confirmation of receipt; if by nationally recognized overnight courier service with instructions to deliver the next

business day, one (1) business day after sending; and if by certified mail, return receipt requested, five (5) days after mailing. All notices, requests and demands upon the parties are to be given to the following addresses (or to such other address as any party may designate by notice in accordance with this Section):

If to Debtor: Applied Extrusion Technologies, Inc.
15 Read's Way
New Castle, Delaware 19720
Attention: Mr. Brian P. Crescenzo
Telephone No.: (302) 326-5561
Telecopy No: (302) 326-5667

If to Secured Party: Wachovia Bank, National Association
1133 Avenue of the Americas
New York, New York 10036
Attention: Portfolio Manager
Telephone No.: (212) 840-2000
Telecopy No.: (212) 545-4283

(b) All references to the plural herein shall also mean the singular and to the singular shall also mean the plural. All references to Debtor, any Lender or any Secured Party pursuant to the definitions set forth in the recitals hereto, or to any other person herein, shall include their respective successors and assigns. The words "hereof," "herein," "hereunder," "this Agreement" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not any particular provision of this Agreement and as this Agreement now exists or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced.

(c) This Agreement, the other Financing Agreements and any other document referred to herein or therein shall be binding upon Debtor and its successors and assigns and inure to the benefit of and be enforceable by Secured Party and Lenders and their respective successors and assigns.

(d) If any provision of this Agreement is held to be invalid or unenforceable, such invalidity or unenforceability shall not invalidate this Agreement as a whole, but this Agreement shall be construed as though it did not contain the particular provision held to be invalid or unenforceable and the rights and obligations of the parties shall be construed and enforced only to such extent as shall be permitted by applicable law.

(e) Neither this Agreement nor any provision hereof shall be amended, modified, waived or discharged orally or by course of conduct, but only by a written agreement signed by an authorized officer of Secured Party. Secured Party and Lenders shall not, by any act, delay, omission or otherwise be deemed to have expressly or impliedly waived any of its rights, powers and/or remedies unless such waiver shall be in writing and signed by an authorized officer of Secured Party. Any such waiver shall be enforceable only to the extent specifically set forth therein. A waiver by Secured Party or any Lender of any right, power and/or remedy on any one occasion shall not be construed as a bar to or waiver of any such right, power and/or remedy

which Secured Party or such Lender would otherwise have on any future occasion, whether similar in kind or otherwise.

(f) This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of this Agreement by telefacsimile or other electronic method of transmission shall have the same force and effect as the delivery of an original executed counterpart of this Agreement. Any party delivering an executed counterpart of this Agreement by telefacsimile or other electronic method of transmission shall also deliver an original executed counterpart, but the failure to do so shall not affect the validity, enforceability or binding effect of this Agreement.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, Debtor and Secured Party have executed this Agreement as of the day and year first above written.

APPLIED EXTRUSION TECHNOLOGIES, INC.,
as Debtor

By: *Phil Lewis*

Title: *VP, Secretary, and CFO*

WACHOVIA BANK, NATIONAL
ASSOCIATION, as Agent and
as Secured Party

By: _____

Title: _____

[Signature Page to Patent Collateral Assignment and Security Agreement]

IN WITNESS WHEREOF, Debtor and Secured Party have executed this Agreement as of the day and year first above written.

APPLIED EXTRUSION TECHNOLOGIES, INC.
as Debtor

By: _____

Title: _____

WACHOVIA BANK, NATIONAL
ASSOCIATION, as Agent and
as Secured Party

By: James B. Lamb

Title: VICE PRESIDENT

[Signature Page to Patent Collateral Assignment and Security Agreement]

STATE OF Delaware
COUNTY OF New Castle) ss.:

On the 21st day of August, 2007, before me personally came Brian P. Crescenzo
to me known, who being by me duly sworn, did depose, acknowledge and say that he is the Vice President,
Secretary + CFO of Applied Extrusion Technologies, Inc., the corporation which executed the
foregoing instrument and that he signed his name thereto by order of the Board of Directors of
said corporation.

William H. Beaune
Notary Public

My commission
expires April 27, 2009

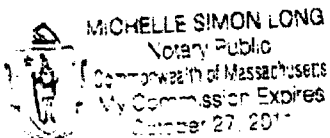
[Signature Page to Patent Collateral Assignment and Security Agreement]

TRADEMARK
REEL: 003611 FRAME: 0060

STATE OF MASSACHUSETTS)
) ss.:
COUNTY OF SUSSEX)

On the 10 day of August, 2007, before me personally came Jason S. Scully
me known, who being by me duly sworn, did depose, acknowledge and say that he is the
Vice Pres. of WACHOVIA BANK, NATIONAL ASSOCIATION, the corporation which
executed the foregoing instrument and that he signed his name thereto by order of the Board of
Directors of said corporation.

Michelle Simon Long
Notary Public



[Signature Page to Patent, Contract, Assignment and Security Agreement]

EXHIBIT A
TO
PATENT COLLATERAL ASSIGNMENT
AND SECURITY AGREEMENT

LIST OF PATENTS AND PATENT APPLICATIONS

- I. Patents
A. United States Patents

| <u>Patent Description</u> | <u>Registration Number</u> | <u>Registration Date</u> | <u>Expiration Date</u> |
|---|----------------------------|--------------------------|------------------------|
| Labeling Apparatus and Method Employing Radiation Curable Adhesive | 7,229,517 | 6/12/07 | 1/02/25 |
| Modified Polyolefin Film with Stable Twist Retention, Dead Fold Properties, and Barrier Characteristics | 5,128,183 | 7/07/92 | 8/01/10 |
| Biaxially Oriented Polypropylene Aroma Barrier Film | 5,885,703 | 3/23/99 | 8/19/16 |
| Biaxially Oriented Film Prepared from Metallocene Catalyzed Polypropylene | 6,165,599 | 12/26/00 | 9/15/17 |
| Polypropylene Blends and Films Prepared Therefrom | 6,268,062 | 07/31/01 | 4/16/18 |
| Barrier Films Based on Blends of Polypropylene and Ethylene-Vinyl Alcohol Copolymer | 6,316,114 | 11/13/01 | 10/7/16 |
| Biaxially Oriented Polypropylene Metallized White Film for Cold Seal Applicators | 5,443,915 | 08/22/95 | 4/05/14 |

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| Polypropylene Film with Cold Seal Release and Cold Seal Receptive Surfaces | 5,482,780 | 01/09/96 | 5/23/14 |
| Biaxially Oriented Polypropylene Cold Seal Release Film | 5,792,549 | 08/11/98 | 5/30/16 |
| Biaxially and Monoaxially Oriented Polypropylene Cold Seal Release Film | 5,798,174 | 08/25/98 | 2/05/16 |
| Biaxially Oriented Polypropylene with Cold Seal Release Surface | 5,985,426 | 11/16/99 | 9/06/15 |
| Biaxially Oriented Polypropylene Films Having Matte-Finish and Improved cold Seal Receptivity | 6,022,612 | 02/08/00 | 6/25/16 |
| Biaxially Oriented Polypropylene Films with Improved Cold Seal Receptive Surfaces | 6,074,731 | 06/13/00 | 9/10/16 |
| Slip Agents and Polypropylene Films Prepared Therefrom | 6,497,965 | 12/24/02 | 12/09/17 |
| Cold Seal Release Film with Improved Scuff Resistance | 6,919,129 | 7/19/05 | 5/14/24 |
| Biaxially Oriented Polyolefin Slip Films with Improved Flatness and Adhesion Properties | 6,946,193 | 9/20/05 | 7/26/21 |
| Cold Seal Release Film with Improved Scuff Resistance | 7,175,906 | 2/13/07 | 5/8/22 |
| Heat Sealable Shrink Laminate | 5,460,878 | 10/24/95 | 10/26/12 |
| Shrink Films and Articles Including the Sale | 5,851,610 | 12/22/98 | 11/02/13 |

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| Polypropylene Film Suitable for Use in In-Mold Labelling Process | 6,228,316 | 05/08/01 | 4/24/18 |
| Label Method Employing Radiation Curable Adhesive | 6,514,373 | 02/04/03 | 6/06/20 |
| Labeling Method Employing Radiation Curable Adhesive | 6,517,661 | 02/11/03 | 6/06/20 |
| Ultraviolet Labeling Apparatus and Method | 6,551,439 | 04/22/03 | 6/06/20 |
| Labeling Method Employing Radiation Curable Adhesive | 6,939,428 | 9/06/05 | 1/17/23 |
| Labeling Method Employing Radiation Curable Adhesive | 6,855,226 | 02/15/05 | 1/17/23 |
| Metallized Films | 6,033,786 | 03/07/00 | 9/27/15 |
| Films | 6,139,930 | 10/31/00 | 6/13/15 |
| Holographic Transfer Film | 6,558,788 | 05/06/03 | 8/04/19 |
| Holographic Films | 6,677,029 | 01/13/04 | 10/20/19 |
| Labeling Apparatus and Method for Correcting Visual Adhesive Defects | 7,074,295 | 7/11/06 | 8/09/24 |
| Metallizable White Opaque Films, Metallized Films Made Therefrom and Labels Made from the Metallized Films | 7,138,172 | 11/21/06 | 1/07/21 |
| A process for producing uniaxial polyolefin/filler | 4,879,078 | 11/07/89 | 3/14/08 |
| Films Based on Three Component Polyolefin Blend | 6,232,402 | 05/15/01 | 10/28/19 |
| Polyolefin Films Suitable for Institutional Applications | 6,410,136 | 06/25/02 | 11/16/19 |
| High OTR Polyolefin Films | 6,485,817 | 11/26/02 | 8/27/18 |

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| Polyolefin Films Based on Blends of Polypropylene and Olefin Heteropolymers | 6,514,625 | 02/04/03 | 1/21/19 |
| High OTR Films Made from Homopolymer Polypropylene and 1-Butene/Ethylene Copolymer Blends | 6,953,617 | 10/11/05 | 5/14/23 |
| Polyester-Containing Biaxially Oriented Polypropylene Films and Method of Making Same | 5,637,366 | 06/10/97 | 6/07/15 |
| Biaxially Oriented Polypropylene Films | 6,033,514 | 03/07/00 | 9/02/13 |
| Polyester-Containing Biaxially Oriented Polypropylene Films | 6,221,191 | 04/24/01 | 6/07/16 |
| Polyester-Containing Biaxially-Oriented Polypropylene Films | 6,607,834 | 08/19/03 | 6/07/15 |
| Biaxially-Oriented Polypropylene Films Containing a Non-Crystallizable, Amorphous Polyester Layer, and Method of Making Same | 6,872,458 | 3/29/05 | 2/14/22 |

B. Canadian Patents

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|---|-----------|---------|--|
| Holographic transfer film | 2,378,696 | 6/28/05 | |
| Novel slip agents and polypropylene films prepared therefrom | 2,362,039 | 4/25/06 | |
| Metallized films | 2,233,004 | 9/26/96 | |
| Polyolefin film having barrier coating receiving surface and polyolefin film including such coating | 2,125,891 | 9/09/03 | |
| Heat sealable shrink laminate | 2,109,150 | 1/27/04 | |

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| Process for producing shrink film and resultant shrink film layer | 2,060,778 | 8/13/96 | |
| Labeling apparatus and method employing radiation curable adhesive | 2,412,391 | 12/5/05 | |
| Metallizable white opaque film, metallized films made therefrom and labels made from metallized films | 2,400,458 | 5/3/05 | 2/07/21 |
| Biaxially Oriented Polypropylene Metallized White Film | 2,117,575 | 7/29/03 | 8/24/14 |

II. Patent Applications

A. United States Patent Applications

| <u>Patent Application</u> | <u>Application/Serial Number</u> | <u>Application Date</u> |
|---|----------------------------------|-------------------------|
| Urethane Based Coating Applied In-Line for Improved Ink Adhesion | 10/803,360 | 03/18/04 |
| Film with Improved Antiblocking and Adhesion Properties | 10/980,715 | 11/03/04 |
| Heat Sealable and Peelable Film | 11/028,834 | 1/04/05 |
| Scented Multilayer Films . . . | 11/244,379 | 10/05/05 |
| Polypropylene Films Employing Recycled Commercially Used Polypropylene Based Films and Labels | 11/550,611 | 10/18/06 |
| Method for Optical Characterization ... | 11/678,918 | 05/29/07 |
| Cold Seal Release Film | 11/462,446 | 08/04/06 |
| High Oxygen Barrier Compositions ... | 60/910,084 | 04/04/07 |

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| System and Method for Making Holograms ... | 11/683,209 | 03/07/07 |
| Clear Peelable Plastic Labels | 11/304,357 | 12/15/05 |
| Solvent Resistant Labels ... | 11/387,390 | 03/23/06 |
| Post-Curable Energy-Core Adhesive | 11/225,349 | 09/13/05 |
| Radiation Curable Adhesive ... | 60/867,462 | 11/28/06 |

B. Canadian Patent Applications

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| Film with improved antiblocking and adhesion properties | 2,543,310 | 11/9/04 |
| Solvent resistant labels and containers including said labels | 2,541,222 | 3/29/06 |
| Heat sealable and peelable film | 2,530,824 | 12/19/05 |
| Labeling apparatus and method for correcting visual adhesive defe | 2,530,423 | 5/21/04 |
| High OTR films made from homopolymer polypropylene and 1-butene/ethylene copolymer blends | 2,524,854 | 4/22/04 |
| Methods of making thick, highly oriented, opaque, low-density, microporous polyolefin films and the films made thereby | 2,523,949 | 4/28/04 |
| Urethane based coating applied in-line for improved ink adhesion | 2,519,639 | 3/23/04 |
| Cold seal release film with improved scuff resistance | 2,483,767 | 3/19/03 |
| Biaxially oriented polyolefin slip films with improved flatness and adhesion properties | 2,452,026 | 4/23/02 |
| Holographic films | 2,394,629 | 7/3/07 |

EXHIBIT B
TO
PATENT COLLATERAL ASSIGNMENT
AND SECURITY AGREEMENT

LIST OF LICENSES

None

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EXHIBIT C
TO
PATENT COLLATERAL ASSIGNMENT
AND SECURITY AGREEMENT

SPECIAL POWER OF ATTORNEY

STATE OF _____)
) ss.:
COUNTY OF _____)

KNOW ALL MEN BY THESE PRESENTS, that APPLIED EXTRUSION TECHNOLOGIES, INC. ("Debtor"), having an office at 15 Read's Way, New Castle, Delaware 19720, hereby appoints and constitutes, WACHOVIA BANK, NATIONAL ASSOCIATION, as Agent ("Secured Party"), and each of its officers, its true and lawful attorney, with full power of substitution and with full power and authority to perform the following acts on behalf of Debtor:

Execution and delivery of any and all agreements, documents, instrument of assignment, or other papers which Secured Party, in its discretion, deems necessary or advisable for the purpose of assigning, selling, or otherwise disposing of all right, title, and interest of Debtor in and to any trademarks and all registrations, recordings, reissues, extensions, and renewals thereof, or for the purpose of recording, registering and filing of, or accomplishing any other formality with respect to the foregoing.

Execution and delivery of any and all documents, statements, certificates or other papers which Secured Party, in its discretion, deems necessary or advisable to further the purposes described in Subparagraph 1 hereof.

This Power of Attorney is made pursuant to a Trademark Collateral Assignment and Security Agreement, dated of even date herewith, between Debtor and Secured Party (the "Security Agreement") and is subject to the terms and provisions thereof. This Power of Attorney, being coupled with an interest, is irrevocable until all "Obligations", as such term is defined in the Security Agreement, are paid in full and the Security Agreement is terminated in writing by Secured Party.

Dated: August __, 2007

APPLIED EXTRUSION TECHNOLOGIES, INC.

By: _____

Title: _____

STATE OF _____)
) ss.:
COUNTY OF _____)

On the ____ day of August, 2007, before me personally came _____,
to me known, who being by me duly sworn, did depose, acknowledge and say that he is the
_____ of Applied Extrusion Technologies, Inc., the corporation which executed the
foregoing instrument and that he signed his name thereto by order of the Board of Directors of
said corporation.

Notary Public