

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT			
NATURE OF CONVEYANCE:	Security Agreement			
CONVEYING PARTY DATA				
	Name	Formerly	Execution Date	Entity Type
	Climax Manufacturing Company		04/03/2013	CORPORATION: DELAWARE
	Climax Paperboard, Inc.		04/03/2013	CORPORATION: NEW YORK
	Climax Packaging, Inc.		04/03/2013	CORPORATION: DELAWARE
RECEIVING PARTY DATA				
Name:	Wells Fargo Bank, National Association			
Street Address:	One Boston Place, 20th Floor			
City:	Boston			
State/Country:	MASSACHUSETTS			
Postal Code:	02108			
Entity Type:	National Association: UNITED STATES			
PROPERTY NUMBERS Total: 1				
	Property Type	Number	Word Mark	
	Registration Number:	1264199	C	
CORRESPONDENCE DATA				
Fax Number:	8004947512			
<i>Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent via US Mail.</i>				
Phone:	2023704761			
Email:	tfahey@nationalcorp.com			
Correspondent Name:	Thomas Fahey			
Address Line 1:	1100 G Street NW, Suite 420			
Address Line 2:	National Corporate Research, Ltd.			
Address Line 4:	Washington, DISTRICT OF COLUMBIA 20005			
ATTORNEY DOCKET NUMBER:	F144182			
NAME OF SUBMITTER:	Matthew R. Pierce			

Signature:	/Matthew R. Pierce/
Date:	04/04/2013
Total Attachments: 9 source=Trademark Filing - Climax et al to Wells Fargo#page3.tif source=Trademark Filing - Climax et al to Wells Fargo#page4.tif source=Trademark Filing - Climax et al to Wells Fargo#page5.tif source=Trademark Filing - Climax et al to Wells Fargo#page6.tif source=Trademark Filing - Climax et al to Wells Fargo#page7.tif source=Trademark Filing - Climax et al to Wells Fargo#page8.tif source=Trademark Filing - Climax et al to Wells Fargo#page9.tif source=Trademark Filing - Climax et al to Wells Fargo#page10.tif source=Trademark Filing - Climax et al to Wells Fargo#page11.tif	

PATENT AND TRADEMARK SECURITY AGREEMENT

This Patent and Trademark Security Agreement (this "Agreement"), dated as of April 3, 2013, is made by and among **CLIMAX MANUFACTURING COMPANY**, a Delaware corporation, **CLIMAX PAPERBOARD, INC.**, a New York corporation and **CLIMAX PACKAGING, INC.**, a Delaware corporation, each a "Company" and collectively, the "Companies"), and **WELLS FARGO BANK, NATIONAL ASSOCIATION** ("Wells Fargo").

Recitals

A. Companies and Wells Fargo are parties to a Credit and Security Agreement (as amended, supplemented or restated from time to time, the "Credit Agreement") dated the same date as this Agreement, setting forth the terms on which Wells Fargo may now or hereafter extend credit to or for the account of Companies.

B. As a condition to extending credit to or for the account of Companies, Wells Fargo has required the execution and delivery of this Agreement by each Company.

ACCORDINGLY, in consideration of the mutual covenants contained in the Loan Documents and herein, the parties hereby agree as follows:

1. Definitions. All terms defined in the Recitals hereto or in the Credit Agreement that are not otherwise defined herein shall have the meanings given to them in the Credit Agreement. In addition, the following terms have the meanings set forth below:

"Patents" means all of each Company's right, title and interest in and to patents or applications for patents, fees or royalties with respect to each, and including without limitation the right to sue for past infringement and damages therefor, and licenses thereunder, all as presently existing or hereafter arising or acquired, including without limitation the issues patents and filed patents listed on Exhibit A.

"Security Interest" has the meaning given in Section 2.

"Trademarks" means all of each Company's right, title and interest in and to: (i) trademarks, service marks, collective membership marks, registrations and applications for registration for each, and the respective goodwill associated with each, (ii) licenses, fees or royalties with respect to each, (iii) the right to sue for past, present and future infringement, dilution and damages therefor, and (iv) licenses thereunder, all as presently existing or hereafter arising or acquired, including, without limitation, the marks listed on Exhibit B.

2. Security Interest. Each Company hereby irrevocably grants Wells Fargo a security interest with power of sale to the extent permitted by law, in all of its right, title and interest in and to the Patents and in the Trademarks to secure payment of the Obligations (the "Security Interest"). As set forth in the Credit Agreement, the Security Interest is coupled with a

security interest in substantially all of the personal property of each Company. This Agreement grants only the Security Interest herein described, is not intended to and does not affect any present transfer of title of any issued patent, patent application, any trademark registration or trademark application and makes no assignment and grants no right to assign or perform any other action with respect to any intent to use any patent application or trademark application.

3. Representations, Warranties and Agreements. Each Company represents, warrants and agrees as follows:

(a) **Patents.** Exhibit A accurately lists all issued Patents and filed Patent applications owned by each Company as of the date hereof, and accurately reflects the existence and status of applications and letters patent pertaining to the issued Patents and filed Patent applications as of the date hereof. If after the date hereof, any Company owns or has a right to have assigned to it any issued Patents or filed Patent applications not listed on Exhibit A, or if Exhibit A ceases to accurately reflect the existence and status of applications and letters patent pertaining to issued Patents and filed Patent applications owned by such Company, then such Company shall within 60 days provide written notice to Wells Fargo with a replacement Exhibit A, which upon acceptance by Wells Fargo shall become part of this Agreement.

(b) **Trademarks.** Exhibit B accurately lists all registered Trademarks owned by each Company as of the date hereof and accurately reflects the existence and status of all registered Trademarks and all applications and registrations pertaining thereto as of the date hereof; provided, however, that Exhibit B need not list common law marks (i.e., Trademarks for which there are no applications or registrations). If after the date hereof, any Company owns any registered Trademarks not listed on Exhibit B (other than common law marks), or if Exhibit B ceases to accurately reflect the existence and status of applications and registrations pertaining to any registered Trademarks, then such Company shall within 60 days provide written notice to Wells Fargo with a replacement Exhibit B, which upon acceptance by Wells Fargo shall become part of this Agreement.

(c) **Title.** Each Company has valid title to each applicable Patent and each Trademark listed on Exhibits A and B, free and clear of all Liens except Permitted Liens and (ii) will keep all Patents and Trademarks free and clear of all Liens except Permitted Liens.

(d) **No Sale.** Except as permitted in Section 3(f) or in the Credit Agreement, no Company will assign, transfer or encumber, or otherwise dispose of, the Patents or Trademarks, or any interest therein, without Wells Fargo's prior written consent.

(e) **Defense.** Each Company will at its own expense and using commercially reasonable efforts, protect and defend the Patents and Trademarks that are material to its business against all claims or demands of all Persons other than those holding Permitted Liens.

(f) **Maintenance.** Each Company will at its own expense maintain the Patents and the Trademarks to the extent commercially reasonable in its business including, but not limited to, filing all applications to obtain letters patent or trademark registrations and all affidavits, maintenance fees, annuities, and renewals possible with respect to letters patent, trademark registrations and applications therefor. Each Company covenants that it will not abandon nor fail to pay any maintenance fee or annuity due and payable on any Patent or Trademark that is material to its business, nor fail to file any required affidavit or renewal in support thereof, without first providing Wells Fargo: (i) sufficient written notice, of at least 30 days, to allow Wells Fargo to timely pay any such maintenance fees or annuities which may become due on any Patents or Trademarks, or to file any affidavit or renewal with respect thereto, and (ii) a separate written power of attorney or other authorization to pay such maintenance fees or annuities, or to file such affidavit or renewal, should such be necessary or desirable.

(g) **Wells Fargo's Right to Take Action.** If any Company fails to perform or observe any of its covenants or agreements set forth in this Section 3, and if such failure continues for a period of ten (10) calendar days after Wells Fargo gives such Company (or Administrative Borrower on such Company's behalf) written notice thereof (or, in the case of the agreements contained in Section 3(f), immediately upon the occurrence of such failure, without notice or lapse of time), or if such Company notifies Wells Fargo that it intends to abandon a Patent or Trademark, Wells Fargo may (but need not) perform or observe such covenant or agreement or take steps to prevent such intended abandonment on behalf and in the name, place and stead of such Company (or, at Wells Fargo's option, in Wells Fargo's own name) and may (but need not) take any and all other actions which Wells Fargo may reasonably deem necessary to cure or correct such failure or prevent such intended abandonment.

(h) **Costs and Expenses.** Except to the extent that the effect of such payment would be to render any loan or forbearance of money usurious or otherwise illegal under any applicable law, Companies shall pay Wells Fargo on demand the amount of all reasonable moneys expended and all out-of-pocket costs and expenses (including reasonable attorneys' fees and disbursements) incurred by Wells Fargo in connection with or as a result of Wells Fargo's taking action under Section 3(g) or exercising its rights under Section 6, together with interest thereon from the date expended or incurred by Wells Fargo at the highest rate of interest then applicable to the Obligations.

(i) **Power of Attorney.** To facilitate Wells Fargo's taking action under Section 3(g) and exercising its rights under Section 6, each Company hereby irrevocably appoints (which appointment is coupled with an interest) Wells Fargo, or its delegate, as the attorney-in-fact of each Company with the right (but not the duty) from time to time during the continuance of an Event of Default to create, prepare, complete, execute, deliver, endorse or file, in the name and on behalf of each Company, any and all instruments, documents, applications, financing statements, and other agreements and

writings required to be obtained, executed, delivered or endorsed by any Company under this Section 3, or, necessary for Wells Fargo, after an Event of Default, to enforce its security interests in the Patents or Trademarks or to grant or issue any exclusive or non-exclusive license under the Patents or Trademarks to any third party, or to sell, assign, transfer, pledge, encumber or otherwise transfer title in or dispose of the Patents or Trademarks to any third party, in each case, in accordance with the Credit Agreement and applicable law. Each Company hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. The power of attorney granted herein shall terminate upon the termination of the Credit Agreement as provided therein and the payment and performance of all Obligations.

4. Debtor's Use of the Patents and Trademarks. Each Company shall be permitted to control and manage the Patents and Trademarks, including the right to exclude others from making, using or selling items covered by the Patents and Trademarks and any licenses thereunder, in the same manner and with the same effect as if this Agreement had not been entered into, so long as no Event of Default occurs and remains uncured.

5. Events of Default. Each of the following occurrences shall constitute an event of default under this Agreement (herein called "Event of Default"): (a) an Event of Default, as defined in the Credit Agreement, shall occur; or (b) any Company shall fail promptly to observe or perform any covenant or agreement herein binding on it beyond any applicable grace, notice or cure periods in the Credit Agreement; or (c) any of the representations or warranties contained in Section 3 shall prove to have been incorrect in any material respect when made.

6. Remedies. Upon the occurrence and during the continuance of an Event of Default, Wells Fargo may, at its option, take any or all of the following actions:

- (a) exercise any or all remedies available under the Credit Agreement;
- (b) sell, assign, transfer, pledge, encumber or otherwise dispose of the Patents and Trademarks, in each case, in accordance with the Credit Agreement and all applicable laws; or
- (c) enforce the Patents and Trademarks that are material to to any Company's business and any licenses thereunder, and if Wells Fargo shall commence any suit for such enforcement, such Company shall, at the request of Wells Fargo, do any and all reasonably requested acts and execute any and all proper documents required by Wells Fargo in aid of such enforcement.

7. Miscellaneous. This Agreement can be waived, modified, amended, terminated or discharged, and the Security Interest can be released, only explicitly in a writing signed by Wells Fargo. A waiver signed by Wells Fargo shall be effective only in the specific instance and for the specific purpose given. Mere delay or failure to act shall not preclude the

exercise or enforcement of any of Wells Fargo's rights or remedies. All rights and remedies of Wells Fargo shall be cumulative and may be exercised singularly or concurrently, at Wells Fargo's option, and the exercise or enforcement of any one such right or remedy shall neither be a condition to nor bar the exercise or enforcement of any other. All notices to be given to Debtor under this Agreement shall be given in the manner and with the effect provided in the Credit Agreement. Wells Fargo shall not be obligated to preserve any rights any Company may have against prior parties, to realize on the Patents and Trademarks at all or in any particular manner or order, or to apply any cash proceeds of Patents and Trademarks in any particular order of application. This Agreement shall be binding upon and inure to the benefit of each Company and Wells Fargo and their respective permitted successors and assigns, and shall take effect when signed by each Company and delivered to Wells Fargo, and each Company waives notice of Wells Fargo's acceptance hereof. Wells Fargo may execute this Agreement if appropriate for the purpose of filing, but the failure of Wells Fargo to execute this Agreement shall not affect or impair the validity or effectiveness of this Agreement. A carbon, photographic or other electronic reproduction of this Agreement or of any financing statement signed by a Company shall have the same force and effect as the original for all purposes of a financing statement. This Agreement shall be governed by the internal law of the State of New York without regard to conflicts of law provisions. If any provision or application of this Agreement is held unlawful or unenforceable in any respect, such illegality or unenforceability shall not affect other provisions or applications which can be given effect and this Agreement shall be construed as if the unlawful or unenforceable provision or application had never been contained herein or prescribed hereby. All representations and warranties contained in this Agreement shall survive the execution, delivery and performance of this Agreement and the creation and payment of the Obligations.

8. Satisfaction. Upon full payment or satisfaction of the Obligations and termination of any credit facilities extended to the Companies by Wells Fargo, this Agreement, and the rights granted hereunder to Wells Fargo, shall automatically terminate.

THE PARTIES WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING BASED ON OR PERTAINING TO THIS AGREEMENT.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed this Patent and Trademark Security Agreement as of the date written above.

COMPANIES:

CLIMAX MANUFACTURING COMPANY

By: [Signature]
Name: Mark P. Godfrey
Title: CFO

CLIMAX PAPERBOARD, INC.

By: [Signature]
Name: Mark P. Godfrey
Title: CFO

CLIMAX PACKAGING, INC.

By: [Signature]
Name: Mark P. Godfrey
Title: CFO

[Signature Page to Parent and Trademark Security Agreement]

WELLS FARGO:

WELLS FARGO BANK, NATIONAL
ASSOCIATION

By: 

Name: Wai Yin Cheng

Title: Vice President

[Signature Page to Patent and Trademark Security Agreement]

TRADEMARK
REEL: 004999 FRAME: 0239

EXHIBIT A

PATENTS

ISSUED PATENTS

<u>Company</u>	<u>Title</u>	<u>Patent Number</u>	<u>Issue Date</u>
Climax Manufacturing Company	1. Carton having a prefolded interior paper lining and a method of preparing a carton with a prefolded interior paper lining	6,305,600	October 23, 2001
	2. Carton having a prefolded interior paper lining and a method of preparing a carton with a prefolded interior paper lining	5,989,171	November 23, 1999
	3. No Leak Carton Design	D442,859	May 29, 2001
	4. Envelope Pack Design	D474,807	May 20, 2003
	5. Carton Blank	D484,047	December 23, 2003

FILED PATENT APPLICATIONS

<u>Company</u>	<u>Title</u>	<u>Serial Number</u>	<u>Filing Date</u>
Climax Manufacturing Company	Carton Assembly having a water proof lining.	20110065557	March 17, 2011

EXHIBIT B
TRADEMARKS

REGISTRATIONS

<u>Company</u>	<u>Mark</u>	<u>Registration Number</u>	<u>Registration Date</u>
Climax Manufacturing Company		1264199	January 17, 1984