

09-06-2001



Form PTO-1594  
(Rev. 03/01)  
OMB No. 0651-0027 (exp. 5/31/2002)  
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101836009  
**TRADEMARKS ONLY**

U.S. DEPARTMENT OF COMMERCE  
U.S. Patent and Trademark Office

To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

9-6-D1

1. Name of conveying party(ies):  
Allied Capital Corporation

- Individual(s)
- General Partnership
- Corporation-State
- Other \_\_\_\_\_
- Association
- Limited Partnership

Additional name(s) of conveying party(ies) attached?  Yes  No

3. Nature of conveyance:

- Assignment
- Security Agreement
- Other Release of Security Interests
- Merger
- Change of Name

Execution Date: \_\_\_\_\_

2. Name and address of receiving party(ies)

Name: Corr Flex Graphics, LLC (f/k/a Vickar Industries LLC)  
Internal Address: \_\_\_\_\_  
Address: \_\_\_\_\_

Street Address: 701 Rickert Street

City: Statesville State: NC Zip: 28677

- Individual(s) citizenship \_\_\_\_\_
- Association \_\_\_\_\_
- General Partnership \_\_\_\_\_
- Limited Partnership \_\_\_\_\_
- Corporation-State \_\_\_\_\_
- Other Limited Liability Company

If assignee is not domiciled in the United States, a domestic representative designation is attached:  Yes  No  
(Designations must be a separate document from assignment)  
Additional name(s) & address(es) attached?  Yes  No

4. Application number(s) or registration number(s):

A. Trademark Application No.(s)

2170414  
B. Trademark Registration No.(s)  
2179509  
2173903  
2173902  
2173901

Additional number(s) attached  Yes  No

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

Name: Elizabeth M. Millican, Paralegal  
Internal Address: Robinson, Bradshaw & Hinson P.A.

Street Address: 101 N. Tryon Street, Suite 1900

City: Charlotte State: NC Zip: 28246

6. Total number of applications and registrations involved: 5

7. Total fee (37 CFR 3.41).....\$ 140.00

- Enclosed
- Authorized to be charged to deposit account

8. Deposit account number:

500327

(Attach duplicate copy of this page if paying by deposit account)

**DO NOT USE THIS SPACE**

9. Statement and signature.

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

Elizabeth M. Millican  
Name of Person Signing

Elizabeth M. Millican  
Signature

8/31/01  
Date

Total number of pages including cover sheet, attachments, and document: 10

Documents to be recorded with required cover sheet information to:  
Commissioner of Patent & Trademarks, Box Assignments  
Washington, D.C. 20231

09/06/2001 00000187 2170414  
40.00 DP  
100.00 DP

01 FC:481  
02 FC:482

**RELEASE OF SECURITY INTEREST  
IN TRADEMARKS**

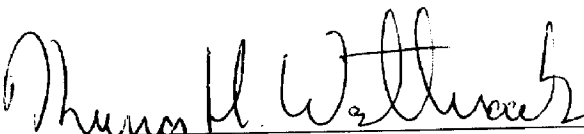
**WHEREAS, ALLIED CAPITAL CORPORATION** (“Allied”), with offices at 1919 Pennsylvania Avenue, NW, Washington, DC 20006, holds a lien and security interest in certain trademarks of **CORRFLEX GRAPHICS, LLC** (f/k/a Vickar Industries, LLC) (the “Grantor”) pursuant to a Security Agreement for Intellectual Property (as amended, modified, restated or supplemented from time to time, the “Security Agreement”), dated as of January 9, 1998; and

**WHEREAS**, the Security Agreement, attached hereto as Exhibit A, was recorded with the United States Patent and Trademark Office on March 27, 1998 in Reel 1707 at Frame 0129 as item number 100675803A;

**NOW, THEREFORE**, in connection with the Grantor’s sale of its Bostic Packaging division and such trademarks, Allied hereby releases, transfers and assigns unto the Grantor, its successors and assigns, all of Allied’s right, title and interest in and to all of the Grantor’s registered trademarks listed in Schedule A to Exhibit A attached hereto.

**IN WITNESS WHEREOF**, Allied, by its duly authorized officer, has executed this Release on this the 31st day of August, 2001.

**ALLIED CAPITAL CORPORATION**

By:   
Name: Thomas H. Westbrook  
Title: Managing Director

SECURITY AGREEMENT  
FOR INTELLECTUAL PROPERTY

THIS SECURITY AGREEMENT FOR INTELLECTUAL PROPERTY (this "Agreement") is made as of January 9, 1998 by and between Vickar Industries, LLC, a North Carolina limited liability company (hereinafter "Grantor"), and Allied Capital Corporation, a Maryland corporation (with successors and assigns collectively, "Secured Party").

RECITALS

A. Under date of January 9, 1998 Grantor, Secured Party, L. Kerry Vickar, Jimmie Drew Bostic, Sr., Bryan L. Smith, Jimmie Drew Bostic, Jr., Janet Simpson, Whitney Honeycutt, Michael M. Sherck and Thomas F. Russ entered into a certain Loan Agreement (hereinafter, with all modifications, renewals, extensions and replacements thereof and therefor, the "Loan Agreement"), pursuant to which Secured Party funded a loan to Grantor (hereinafter, with all modifications, renewals, extensions and replacements thereof and therefor, the "Loan") in the amount of Seven Million Dollars (\$7,000,000), which Loan was evidenced by a certain Subordinated Debenture in such principal amount, dated January 9, 1998 and payable to the order of Secured Party (hereinafter, with all modifications, renewals, extensions and replacements thereof and therefor, the "Debenture").

B. To induce the Secured Party to fund the Loan, the Grantor proposes to grant to the Secured Party a lien and security interest in its Intellectual Property, as collateral security for the Loan and the obligations of Grantor set out in the Loan Agreement.

PROVISIONS

In consideration of the premises and the covenants herein, and for other good and valuable consideration, the undersigned parties agree as set forth below.

I. GRANT OF SECURITY INTEREST

Grantor hereby grants to Secured Party a security interest in all of Grantor's now-existing or hereafter acquired right, title and interest in, under and to its patents, trademarks, service marks, mask works, copyrights, licenses, and other intellectual property, including (without limitation) items identified in Schedule A attached hereto; all patent, service mark, trademark and mask work applications relating in any way to the subject matter of the foregoing, and all reissues, renewals, extensions, continuations, continuations-in-part and divisions thereof, together in each case with the goodwill of

Grantor's business connected with the use of each trademark or service mark, and symbolized by the trademark or service mark (all of the foregoing being hereinafter collectively referred to as the "Intellectual Property"); and any and all proceeds thereof, including, without limitation, any present and future claims of Grantor against third parties for infringement of the Intellectual Property. All the foregoing is hereinafter collectively referred to as "Collateral".

## II. OBLIGATIONS SECURED

This Agreement is made to Secured Party (and any subsequent holders of the Debenture and/or assignees of the Loan Agreement), to secure repayment of the Loan, payment and performance of all now-existing and future obligations of Grantor to Secured Party under the Loan Agreement (hereinafter collectively, "Obligations").

## III. WARRANTIES AND COVENANTS

A. No Transfer. Grantor will 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, or otherwise dispose of any of the Collateral without the prior written consent of Secured Party, except as such action is expressly permitted hereunder and except in connection with the terms of a Loan Agreement of even date herewith pursuant to which NationsBank, N.A. provided to Grantor a revolving line of credit in the maximum principal amount of Four Million Seven Hundred Fifty Thousand Dollars (\$4,750,000) and one or more term loans in the maximum aggregate principal amount of Six Million Two Hundred Fifty Thousand Dollars (\$6,250,000).

B. Lien Perfection. Grantor will at its own expense perform all acts necessary to execute, perfect, maintain, record or enforce the security interest granted herein in the Collateral or otherwise to further the provisions of this Agreement. Grantor hereby agrees to execute one or more financing statements (or similar documents) with respect to the Collateral and authorizes Secured Party to file and/or record same among the appropriate public record(s). Furthermore, Grantor hereby authorizes the Secured Party to record this Agreement among the records of the U.S. Patent and Trademark Office.

C. Notice of Subsequent Applications. Grantor shall provide to Secured Party, simultaneously with the quarterly certifications to be provided by Grantor to Secured Party pursuant to Section 5.2 of the Loan Agreement, notice of each and any filed application(s) for the issuance of a patent, trademark or service mark with the United States Patent and Trademark Office or any similar office or agency in the United States or any other country. Upon the request of the Secured Party, Grantor shall deliver to Secured Party copies of any and all application documents and other papers in respect to such an application.

D. No Abandonment. Grantor will neither do any act, nor omit to do any act, whereby any patent, trademark or service mark which is part of the Collateral may or could become abandoned or unenforceable, except with the prior written consent of Secured Party, which shall not unreasonably be withheld. Grantor shall immediately notify Secured Party in writing if it knows or has reason to know of any reason why any application, service mark, trademark or patent may become abandoned, invalidated or the subject of any suit, action or proceeding.

E. Duty to Notify. Grantor will promptly notify Secured Party of any use by any person or any infringement of the Intellectual Property, and any litigation related to the Collateral.

#### IV. LENDER'S REMEDIES

Upon declaration of default under any of the Obligations and in addition to all other rights and remedies of Secured Party, whether provided by law or otherwise, Secured Party shall have the following rights and remedies which may be exercised without notice to, or consent by, Grantor except as such notice or consent is expressly provided for herein.

A. Stop Use. Secured Party may require that neither Grantor nor any affiliate or subsidiary of Grantor make any use of the Intellectual Property for any purpose whatsoever.

B. Licenses. Upon ten (10) days notice to Grantor, 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 sole 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 the United States of America, its territories and possessions and all foreign countries.

C. Sale. Upon ten (10) days prior notice to Grantor, Secured Party may assign, sell or otherwise dispose of the Collateral or any part thereof, either with or without special conditions or stipulations. Secured Party shall have the power to buy the Collateral or any part thereof, and Assignee shall also have the power to execute assurances and perform all other acts which Secured Party may, in Secured Party's sole discretion, deem appropriate or proper to complete such assignment, sale or disposition.

D. Power of Attorney. In addition to the foregoing, in order to implement the assignment, sale or other disposition of any of the Collateral pursuant to Subparagraph C above, Secured Party may at any time after default under the Obligations execute and deliver on behalf of Grantor, one or more instruments of assignment of all or any part of the Collateral (or application, letters patent or recording relating thereto), in form suitable for filing, recording or registration (as the case may be). Grantor agrees to pay when due

all costs incurred in any such transfer of the Collateral, including, but not limited to, any taxes, fees and attorneys' fees.

E. Application of Proceeds; Deficiency. Secured Party may first apply the proceeds actually received from any such license, assignment, sale or other disposition of Collateral to the reasonable costs and expenses thereof, including, without limitation, to reasonable attorneys' fees incurred by Secured Party. Thereafter, Secured Party may apply any remaining proceeds to such of the Obligations as Secured Party may in its reasonable discretion determine. Grantor shall remain liable to Secured Party for any expenses or Obligations remaining unpaid after the application of such proceeds, and Grantor will pay Secured Party on demand any such unpaid amount, together with interest at the interest rate set forth in the Debenture.

F. Trade Secrets. In the event that any such license, assignment, sale or other disposition of the Collateral (or any part thereof) is made after the occurrence of an event of default under any of the Obligations, Grantor shall supply to Secured Party or Secured Party's designee, Grantor's knowledge and expertise relating to the manufacture and sale of products according to the patented inventions and to the provision of services to customers through the use of the Intellectual Property, and Grantor's customer lists and other records relating to such products and services.

G. Uniform Commercial Code. In addition to other rights and remedies provided herein or otherwise available to the Secured Party, the Secured Party shall have, in respect to the Collateral, all rights and remedies of a secured party under Article 9 (or any corresponding article) of the applicable Uniform Commercial Code, whether or not the said Code would otherwise be applicable to the Secured Party's rights herein.

#### V. NO DUTY ON SECURED PARTY; NON-EXCLUSIVE.

Nothing herein shall be construed as requiring Secured Party to take any action provided for herein at any time. All of Secured Party's rights and remedies, whether provided by law, under terms of the Obligations, in this Agreement or otherwise, shall be cumulative and not exclusive. Such rights and remedies may be enforced alternatively, successively or concurrently.

#### VI. MISCELLANEOUS

A. Satisfaction. Upon the satisfactory completion of all the terms and conditions of this Agreement and the Obligations and upon full and undefeasible payment of all monies due thereunder, Secured Party will upon written request of Grantor execute a release of its security interest in the Intellectual Property and deliver that release to Grantor for filing by Grantor at Grantor's expense.

B. No Waiver. Any failure or delay by Secured Party to require strict performance by Grantor of any of the provisions, warranties, terms and conditions contained herein or in any other agreement, document or instrument, shall not affect Secured Party's right to demand strict compliance and performance therewith, and any waiver of any default shall not waive or affect any other default, whether prior or subsequent thereto, and whether of the same or of a different type. None of the warranties, conditions, provisions, and terms contained herein or in any other agreement, document or instrument shall be deemed to have been waived by any act or knowledge of Secured Party, its agents, officers or employees, but only by an instrument in writing, signed by an officer of Secured Party and directed to Grantor, specifying such waiver.

C. Notice. All notices, requests and demands to or upon the respective parties hereto shall be provided in accordance with, and governed by the terms of the Loan Agreement.

D. Severability; Captions. In the event that any provision hereof shall be deemed to be invalid by any court, such invalidity shall not affect the remainder of this Agreement, which shall be deemed severable. The captions and paragraph headings herein shall not be considered part of the this Agreement.

E. Parties; Changes. This Agreement shall be binding upon and inure to the benefit of the Grantor and the Secured Party, and their respective heirs, executors, administrators, legal representatives, successors and assigns. No provision hereof shall be modified, altered or limited except by a written instrument expressly referring to this Agreement and signed by the party to be charged thereby.

F. Choice of Law. Venue and Jurisdiction. Service of Process. This Agreement shall be interpreted, and the rights and liabilities of the parties hereto determined, in accordance with the laws of the District of Columbia, without regard to its principles of conflicts of law. Venue for any adjudication hereof shall be only in the courts of the District of Columbia or the Federal courts in the District of Columbia, to the jurisdiction of which courts all parties hereby submit, as the agreement of such parties, as not inconvenient and as not subject to review by any court other than such courts in the District of Columbia. The Grantor intends and agrees that the courts of the jurisdictions in which the Grantor is incorporated and conducts business shall afford full faith and credit to any judgment rendered by a court of the District of Columbia against the Grantor hereunder, and that such District of Columbia and federal courts shall have in personam jurisdiction to enter a valid judgment against the Grantor. Service of any summons and/or complaint hereunder and any other process which may be served on the Grantor in any action in respect hereto, may be made by mailing via registered mail or delivering a copy of such process, to the address last provided by Grantor to Secured Party. The Grantor agrees that this submission to jurisdiction and consent to service of process are reasonable and made for the express benefit of Secured Party.

G. WAIVER OF JURY TRIAL. GRANTOR WAIVES ALL RIGHT TO TRIAL BY JURY OF ALL CLAIMS, DEFENSES, COUNTERCLAIMS AND SUITS OF ANY KIND DIRECTLY OR INDIRECTLY ARISING FROM OR RELATING TO THIS AGREEMENT OR THE DEALINGS OF THE PARTIES IN RESPECT HERETO. GRANTOR ACKNOWLEDGES AND AGREES THAT THIS PROVISION IS A MATERIAL TERM OF THIS AGREEMENT AND THAT SECURED PARTY WOULD NOT EXTEND ANY FUNDS UNDER THE DEBENTURE IF THIS WAIVER OF JURY TRIAL WERE NOT A PART HEREOF. GRANTOR ACKNOWLEDGES THAT THIS IS A WAIVER OF A LEGAL RIGHT AND THAT IT MAKES THIS WAIVER VOLUNTARILY AND KNOWINGLY AFTER CONSULTATION WITH, OR THE OPPORTUNITY TO CONSULT WITH, COUNSEL OF ITS CHOICE. GRANTOR AGREES THAT ALL SUCH CLAIMS, DEFENSES, COUNTERCLAIMS AND SUITS SHALL BE TRIED BEFORE A JUDGE OF A COURT OF COMPETENT JURISDICTION, WITHOUT A JURY.


H. No Marshalling. Notwithstanding the existence of any other security interests held by Secured Party or by any other party, Secured Party shall have the right to determine the order in which any or all of the Collateral shall be subjected to the remedies provided herein. Secured Party shall have the right to determine the order in which any or all portions of the Obligations are satisfied from the proceeds realized upon the exercise of the remedies provided herein. Grantor, any party who becomes liable for Grantor's obligations and covenants under this Agreement, and any party who now or hereafter acquires a security interest in the Collateral, or any portion thereof, hereby waives any and all right to require any marshalling of assets in connection with the exercise of any of the remedies permitted by applicable law or provided herein.

I. Subordination. The security interest granted herein and the Secured Party's rights and remedies hereunder are subordinated, according to the terms of a certain Subordination Agreement dated this date between Secured Party and NationsBank, N.A.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

GRANTOR:

Vickar Industries, LLC

  
\_\_\_\_\_  
L. Kerry Vickar, CEO

[Seal]



STATE OF N.C. )  
 ) ss:  
COUNTY OF Tredell )

I, Bonita L. Wright-Silver, hereby certify on this 5<sup>th</sup> day of March, 1998, before me, the subscriber, a Notary Public of the jurisdiction aforesaid, personally appeared L. Kerry Vickar, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument as the President of Vickar Industries, LLC and acknowledged that he executed the same on behalf of Vickar Industries, LLC for the purposes therein contained, such instrument having been executed in my presence.

AS WITNESS my hand and notarial seal the day and year above written.

-- Bonita L. Wright-Silver  
Notary Public

My Commission Expires:

July 15, 2002

## Schedule A

Schedule of Intellectual Property

| <u>Mark/Class</u>                     | <u>Serial No.</u> | <u>Filing Date</u> |
|---------------------------------------|-------------------|--------------------|
| SANTA'S LITTLE ELF<br>(Int. Class 16) | 75/234,592        | January 31, 1997   |
| SANTA'S BIG ELF<br>(Int. Class 16)    | 75/234,599        | January 31, 1997   |
| SANTA'S GIANT ELF<br>(Int. Class 16)  | 75/234,598        | January 31, 1997   |
| SPOOKTACULAR<br>(Int. Class 16)       | 75/234,597        | January 31, 1997   |
| SPOOK-O-LANTERN<br>(Int. Class 16)    | 75/234,596        | January 31, 1997   |