

02-16-2000



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SHEET
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Attorney Docket
No.:

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

1. Name of conveying party(ies):

Drypers Corporation
(a Delaware corporation)
5300 Memorial, Suite 900
Houston, Texas 77007
United States of America

2. Name and address of receiving party(ies):

Davidson Kempner Service Company, LLC
(a Delaware limited liability company)
885 Third Avenue
New York, New York 10022
United States of America

1-18-00

3. Nature of conveyance:

☐ Assignment ☐ Merger
☒ Security Agreement ☐ Change of Name
☐ Other:

Execution Date: 12/10/1999 and 12/13/1999

4. Application number(s) or patent number(s): 5,536,350

If this document is being filed together with a new application, the execution date of the application is:

A. Patent Application No.(s):

B. Patent No.(s): 5,536,350

Additional numbers attached? ☐ Yes ☒ No

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

RUY M. GARCIA-ZAMOR, ESQUIRE
AKIN, GUMP, STRAUSS, HAUER & FELD, L.L.P.
One Commerce Square - 2005 Market Street - Suite 2200
Philadelphia, PA 19103
Telephone: (215) 965-1200
Direct Dial: (215) 965-1309
Facsimile: (215) 965-1210
E-Mail: rgarcia-zamor@akingump.com

6. Total number of applications and patents involved: 1

7. Total fee (37 CFR 3.41) Cal. 1 x \$40.00 = \$ 40.00

☐ Enclosed
☒ Authorized to be charged to deposit account

8. Deposit account number: 50-1017 (Billing No. 031720.0001)

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.

02/16/2000 TTDW11 00000103 501017 5536350

01 FC:581 40.00 CH

Ruy M. Garcia-Zamor
Name of Person Signing
Reg. No. 44,117

Signature

Date

January 14, 2000

Total number of pages including cover sheet, attachments and document: 11

GRANT OF SECURITY INTEREST IN PATENTS

THIS GRANT OF SECURITY INTEREST IN PATENTS ("Agreement"), dated as of December 13, 1999, is executed by DRYPERS CORPORATION, a Delaware corporation ("Debtor"), 5300 Memorial, Suite 900, Houston, Texas 77007, in favor of DAVIDSON KEMPNER SERVICE COMPANY, LLC, a Delaware limited liability company ("Davidson Kempner"), not in its individual capacity but solely as agent for itself and each of the other lenders (each a "Lender" and, collectively, the "Lenders") which is or may from time to time become a signatory to the Term Loan Agreement (hereinafter defined) or any successor or permitted assignee thereof (Davidson Kempner in its capacity as Agent, together with its successors in such capacity, the "Agent"), 885 Third Avenue, New York, New York 10022.

RECITALS:

A. The Debtor, the Agent and the Lenders have entered into that certain Term Loan Agreement of even date herewith (such Term Loan Agreement, as the same may be amended, supplemented or modified from time to time, being hereinafter referred to as the "Term Loan Agreement").

B. Pursuant to the Term Loan Agreement, the Debtor and the Agent have entered into that certain Borrower Security Agreement of even date herewith (as the same may be amended, supplemented or modified from time to time, the "Security Agreement"), pursuant to which the Debtor has granted to the Agent a lien on and security interest in certain collateral described therein, including all patents, patent applications, and patent rights now or hereafter owned by the Debtor, and all reissues, renewals, modifications, divisions, continuations, extensions and continuations-in-part thereof, including without limitation those described on Exhibit "A" attached hereto (collectively, the "Patents").

C. It is a condition precedent to the Agent's and the Lenders' obligations under the Term Loan Agreement that the parties hereto execute this Agreement to memorialize the granting of the security interest in and to the Patents in a form suitable for recording in the United States Patent and Trademark Office.

NOW, THEREFORE, for good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, and subject to the terms and conditions of the Security Agreement, the parties hereto agree as follows:

1. Debtor hereby grants and assigns a security interest, and ratifies and confirms the grant of security interest pursuant to the Security Agreement, to Agent for the pro rata benefit of the Lenders, as security for the payment and performance of the Obligations (as defined in the Term Loan Agreement), in and to Debtor's entire right, title and interest in the Patents, including without limitation all renewals thereof, all proceeds thereof (including, but not limited to, all license royalties and proceeds of infringement suits), and the right (subject to the prior rights

with respect thereto of the lenders under the Working Capital Loan Agreement (as defined in the Term Loan Agreement)) to sue for past, present and future infringements.

2. At such time as (i) all of the Obligations have been completely paid and performed in full, and (ii) all Commitments (as defined in the Term Loan Agreement) have terminated, the Agent shall execute, acknowledge and deliver to Debtor such statements, documents or other instruments in writing as may reasonably be requested by Debtor to release its security interest in the Patents, including without limitation all renewals thereof, all proceeds thereof (including, but not limited to, all license royalties and proceeds of infringement suits), and the right to sue for past, present and future infringements.

3. Debtor represents and warrants that it has the full right and power to grant the security interest in the Patents made hereby and that it has made no previous assignment, transfer, agreement in conflict herewith or constituting a present or future assignment of or encumbrance on the Patents, other than assignments in favor of the agent under the Working Capital Loan Agreement (as defined in the Term Loan Agreement).

4. This Agreement cannot be altered, amended or modified in any way, except by a writing signed by Agent and Debtor. This Agreement shall be binding upon Debtor and its respective successors and permitted assigns, and shall inure to the benefit of Agent and its respective successors and assigns.

5. **THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO ITS CONFLICTS OF LAW RULES.**

6. **ANY SUIT, ACTION OR PROCEEDING AGAINST THE DEBTOR ARISING OUT OF OR RELATING TO THIS AGREEMENT MAY BE INSTITUTED IN ANY FEDERAL OR STATE COURT IN NEW YORK, NEW YORK, AND THE DEBTOR HEREBY IRREVOCABLY CONSENTS AND SUBMITS TO THE NON-EXCLUSIVE JURISDICTION OF SUCH COURTS AND WAIVES ANY OBJECTIONS WHICH IT MAY NOW OR HEREAFTER HAVE TO THE VENUE OF ANY SUCH SUIT, ACTION OR PROCEEDING. SERVICE OF PROCESS IN ANY SUCH SUIT, ACTION OR PROCEEDING MAY BE MADE BY REGISTERED MAIL DIRECTED TO THE DEBTOR AT ITS ADDRESS FIRST WRITTEN ABOVE. THE DEBTOR HEREBY APPOINTS CT CORPORATION SYSTEM AS ITS AGENT FOR RECEIPT OF SERVICE OF PROCESS IN NEW YORK STATE HAVING AN ADDRESS AT 1633 BROADWAY, NEW YORK, NEW YORK 10019, AND AGREES AND CONSENTS THAT SERVICE OF PROCESS UPON SUCH AGENT SHALL BE BINDING UPON IT. THE AGENT AND THE LENDERS SHALL RETAIN THEIR RESPECTIVE RIGHTS UNDER APPLICABLE LAW TO BRING ANY SUIT, ACTION OR PROCEEDING AGAINST THE DEBTOR IN ANY OTHER COURT OF COMPETENT JURISDICTION AND TO SERVE PROCESS IN RELATION TO ANY SUIT, ACTION OR PROCEEDING HEREUNDER AND UNDER EACH OTHER AGREEMENT TO WHICH THE DEBTOR IS A PARTY IN ANY MANNER IN ACCORDANCE WITH LAW.**

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PATENT

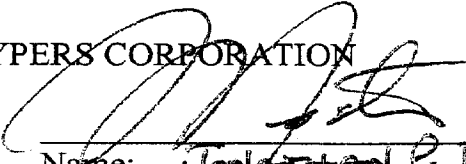
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7. Agent acknowledges that receipt of certain payments and exercise of certain rights and remedies hereunder may be affected by the provisions of the Intercreditor Agreement. Notwithstanding the foregoing, neither Debtor nor any Person not party to the Intercreditor Agreement shall be deemed to be a third party beneficiary thereof for any purpose, nor shall Debtor interpose any defense based on the Intercreditor Agreement to the exercise by Agent or the Lenders of any rights and remedies hereunder or under the other Loan Documents or the receipt of payments hereunder or thereunder. The parties to the Intercreditor Agreement may amend, supplement, modify or waive the provisions thereof, without notice to, or consent of, Debtor.

8. By accepting this Agreement, Agent is entitled to receive all of the benefits and none of the obligations and liabilities which may arise from the Patents.

IN WITNESS WHEREOF, this Agreement has been executed as of the day and year first written above.

DRYPERS CORPORATION

By: 

Name:

JONATHAN P. FOSTER

Title:

CFO & EV.P

DAVIDSON KEMPNER SERVICE COMPANY,
LLC, as Agent

By: M. H. Davidson & Co., Managing Member

By:

Name: Thomas L. Kempner, Jr.

Title: General Partner

PATENT

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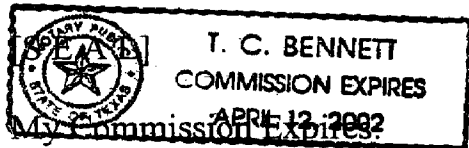
THE STATE OF TEXAS

COUNTY OF

DALLAS

§
§
§

This instrument was ACKNOWLEDGED before me on December 13, 1999, by
Jonathan P. Foster CFO + EVP of DRYPERS CORPORATION, a
Delaware corporation, on behalf of said corporation.



T.C. Bennett
Notary Public - State of Texas

Printed Name of Notary Public

THE STATE OF NEW YORK

COUNTY OF NEW YORK

§
§
§

This instrument was ACKNOWLEDGED before me on December __, 1999, by
_____, _____ of DAVIDSON KEMPNER
SERVICE COMPANY, LLC, a Delaware limited liability company, on behalf of said company.

[S E A L]

My Commission Expires:

Notary Public - State of New York

Printed Name of Notary Public

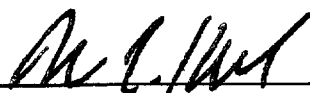
IN WITNESS WHEREOF, this Agreement has been executed as of the day and year first written above.

DRYPERS CORPORATION

By: _____
Name:
Title:

DAVIDSON KEMPNER SERVICE COMPANY,
LLC, as Agent

By: M. H. Davidson & Co., Managing Member

By:  _____
Name: Thomas L. Kempner, Jr.
Title: General Partner

THE STATE OF TEXAS §
 §
 COUNTY OF _____ §

This instrument was ACKNOWLEDGED before me on December __, 1999, by _____ of DRYPERS CORPORATION, a Delaware corporation, on behalf of said corporation.

[SEAL]

Notary Public - State of Texas

My Commission Expires:

Printed Name of Notary Public

THE STATE OF NEW YORK §
 §
 COUNTY OF NEW YORK §

This instrument was ACKNOWLEDGED before me on December 10th, 1999, by Thomas L. Kempner, Jr. General Partner of DAVIDSON KEMPNER SERVICE COMPANY, LLC, a Delaware limited liability company, on behalf of said company.

[SEAL]

Racquel A. Small
 Notary Public - State of New York

My Commission Expires:

September 28, 2000

Printed Name of Notary Public

EXHIBIT "A"

Patents

DRYPERS CORPORATION
PENDING AND REGISTERED PATENTS

Patent Title	Country	Status in Patent Office	Registration/ Application Number	Registration Date
Absorbent Articles With Improved Rash-Preventing Properties	Argentina	Pending	980100254	
Disposable Diaper With Cuff	Argentina	Pending	97/0102665	
Disposable Absorbent Articles With Improved Liquid	Argentina	Pending	990103538	
Highly Absorbent Composite Compositions, Absorbent Sheets PR	Argentina	Pending	990102938	
Disposable Diaper With Cuff	Australia	Pending	69070/96	
Absorbent Articles With Improved Rash-Preventing Properties	Brazil	Pending	P19806395-2	
Disposable Diaper With Cuff	Brazil	Pending	PI9612709-0	
Disposable Diaper With Cuff	Canada	Pending	2,263,223	
Disposable Absorbent Articles With Improved Liquid	Colombia	Pending	99.045434	
Disposable Diaper With Cuff	European	Pending	96929811.6	
Absorbent Articles With Improved Rash-Preventing Properties	Mexico	Pending	9803062	
Disposable Diaper With Cuff	Mexico	Pending	9901519	
Absorbent Articles With Improved Rash-Preventing Properties	United States	Registered	5,938,649	08/17/99
Absorbent Articles With Improved Rash-Preventing Properties	United States	Registered	05,944,705	08/31/99
Certificate Compliance	United States	Pending		
Tapeless Super-Absorbent Disposable Diaper	United States	Issued	5,019,069	05/28/91
Tapeless Super-Absorbent Disposable Diaper	United States	Issued	5,176,669	01/05/93
Disposable Garment With De-elasticized Elastic Members and Method for Making Same	United States	Issued	5,622,581	04/22/97

Patent Title	Country	Status in Patent Office	Registration/ Application Number	Registration Date
Disposable Garment With Noodle Cuss and Method for Manufacturing Same	United States	Issued	5,536,350	07/16/96
Disposable Garment With Noodle Cuss and Method for Manufacturing Same	United States	Issued	5,769,836	06/23/98
Disposable Diaper With Cuff	United States	Issued	5,643,243	07/01/97
Disposable Absorbent Articles with Improved Liquid Absorption and Retention	United States	Pending	09/119,108	
Disposable Absorbent Garment having Stretchable Side Waist Regions	United States	Pending	09/215,473	
Disposable Absorbent Articles With Improved Liquid	United States	Pending	US99/15700	
Laundry Detergent/Fabric Softener and Sanitizer	United States	Pending	769,391	
Disposable Absorbent Articles With Improved Liquid	United States	Pending	US99/15700	
Disposable Absorbent Garment Having Stretchable Side Waist	United States	Pending	09/215,473	
Disposable Absorbent Article Employing A Thin Core And A Method Of Making The Same	United States	Pending		
Disposable Absorbent Article With Containment Structure	United States	Pending	09/418,902	
Disposable Absorbent Articles With Improved Liquid	Venezuela	Pending	KK13-99	
Disposable Garment With Noodle Cuss and Method for Manufacturing Same	WIPO	Pending	US95/12289	
Disposable Diaper With Cuff	WIPO	Pending	US96/13944	

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RECORDED: 01/18/2000

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