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Form PTO-1595  
(Rev. 03/01)

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

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

## 1. Name of conveying party(ies):

Pioneer Licensing, Inc.

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

## 3. Nature of conveyance:

- ☐ Assignment ☐ Merger  
☒ Security Agreement ☐ Change of Name  
☐ Other \_\_\_\_\_

Execution Date: October 30, 1997

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

Name: United States Trust Company ofInternal Address: New YorkCorporate Trust Administration

APR 25 2001

Street Address: 114 W. 47th StreetCity: New York State: NY Zip: 10036Additional name(s) & address(es) attached? ☐ Yes ☒ No

## 4. Application number(s) or patent number(s):

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) US 4915785  
US 5179021  
US 5332473Additional numbers attached? ☒ Yes ☐ No

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

Name: Prabha R. Rollins, Esq.Internal Address: Dow, Lohnes & AlbertsonStreet Address: 1200 New Hampshire Avenue,N.W., Suite 800City Washington State: DC Zip: 200366. Total number of applications and patents involved: 77. Total fee (37 CFR 3.41).....\$ 280.00☒ Enclosed☐ Authorized to be charged to deposit account

## 8. Deposit account number:

(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.

Prabha R. Rollins, Esq.

Name of Person Signing

Prabha R. Rollins  
Signature4/25/01  
DateTotal number of pages including cover sheet, attachments, and documents: 11Mail documents to be recorded with required cover sheet information to:  
Commissioner of Patents & Trademarks, Box Assignments  
Washington, D.C. 20231

05/09/2001 JMWELLY 00000002 4015785

05/09/2001

280.00 04

**RECORDATION FORM COVER SHEET  
CONTINUATION  
PATENTS ONLY**

Application number(s) or patent number(s):

B. Patent No.(s) (additional)

US 5895556

US 5855691

US 5902376

US 5944196

PATENT SECURITY AGREEMENT

This PATENT SECURITY AGREEMENT (this "Agreement"), dated as of October 30, 1997, is made between PIONEER LICENSING, INC., a Delaware corporation (the "Grantor"), and UNITED STATES TRUST COMPANY OF NEW YORK, as collateral agent (together with any successor(s) thereto in such capacity, the "Collateral Agent") under the Intercreditor Agreement for each of the Secured Parties;

WITNESSETH:

WHEREAS, pursuant to a Term Loan Agreement, dated as of the date hereof (as amended, supplemented, amended and restated or otherwise modified from time to time, the "Term Loan Agreement"), among Pioneer Americas, Inc., a corporation organized under the laws of Delaware (the "Borrower"), the Parent Guarantor named therein, the various financial institutions as are, or may from time to time become, parties thereto (each, individually, a "Term Loan Lender", and collectively, the "Term Loan Lenders"), DLJ Capital Funding, Inc., as Syndication Agent for the Term Loan Lenders, the Administrative Agent and Salomon Brothers Holding Company Inc, as Documentation Agent for the Term Loan Lenders, Bank of America National Trust and Savings Association, as Administrative Agent for the Term Loan Lenders, and the Collateral Agent, the Term Loan Lenders have extended Term Loan Commitments to make Term Loans to the Borrower, which Term Loans will be evidenced by notes (as amended, supplemented, amended and restated, or otherwise modified from time to time, including all notes issued in exchange or substitution therefor, the "Term Loan Notes") in an aggregate principal amount of \$100,000,000;

WHEREAS, pursuant to that certain Indenture, dated as of the date hereof (as amended, supplemented, amended and restated, or otherwise modified from time to time, the "Senior Secured Note Indenture"), among PCI Chemicals Canada Inc., a corporation organized under the laws of the Province of New Brunswick ("PCICC"), the Affiliate Guarantors (as defined therein) and United States Trust Company of New York, as trustee (in such capacity, the "Trustee") for the holders of the Notes (as defined therein) (the "Holders"), PCICC will issue its 9<sup>1</sup>/<sub>4</sub>% Senior Secured Notes due 2007 (as amended, supplemented, amended and restated, or otherwise modified from time to time, including all notes issued in exchange or substitution therefor upon the registration of such notes pursuant to the Securities Act of 1933 or otherwise, the "Senior Secured Notes") in an aggregate principal amount of \$175,000,000;

WHEREAS, in connection with the Term Loan Agreement, the Grantor has executed and delivered an Affiliate Security Agreement, dated as of October 30, 1997 (as amended, supplemented, amended and restated or otherwise modified from time to time, the "Security Agreement");

WHEREAS, as a condition precedent to the purchase of Senior Secured Notes by the Initial Purchasers (as defined in the Senior Secured Note Indenture) and the making of the Term Loans under the Term Loan Agreement, the Grantor is required to execute and deliver this Agreement and to grant to the Administrative Agent a security interest in all of the Patent Collateral (as defined below) to secure all Secured Obligations;

WHEREAS, the Grantor is an Affiliate of the Borrower;

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

WHEREAS, it is in the best interests of the Grantor to execute this Agreement inasmuch as the Grantor will derive substantial direct and indirect benefits from the Term Loans made to the Borrower by the Term Loan Lenders pursuant to the Term Loan Agreement and the purchase of the Senior Secured Notes by the Initial Purchasers pursuant to the Senior Secured Note Indenture;

NOW, THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, and in order to induce (i) the Initial Purchasers to purchase the Senior Secured Notes pursuant to the Senior Secured Note Indenture and (ii) the Term Loan Lenders to make Term Loans to the Borrower pursuant to the Term Loan Agreement, the Grantor agrees, for the benefit of each Secured Party, as follows:

SECTION 1. Definitions. Unless otherwise defined herein or the context otherwise requires, terms used in this Agreement, including its preamble and recitals, have the meanings provided (or incorporated by reference) in the Security Agreement.

SECTION 2. Grant of Security Interest. For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, to secure all of the Secured Obligations, the Grantor does hereby grant to the Collateral Agent a security interest in, for the benefit of each Secured Party, all of the following property (the "Patent Collateral"), whether now owned or hereafter acquired or existing by it:

(a) all letters patent and applications for letters patent throughout the world, including all patent applications in preparation for filing anywhere in the world and including each patent and patent application referred to in Item A of Attachment 1 attached hereto;

(b) all reissues, divisions, continuations, continuations-in-part, extensions, renewals and reexaminations of any of the items described in clause (a);

(c) all patent licenses, including each patent license referred to in Item B of Attachment 1 attached hereto; and

(d) all proceeds of, and rights associated with, the foregoing (including license royalties and proceeds of infringement suits), the right to sue third parties for past, present or future infringements of any patent or patent application, including any patent or patent application referred to in Item A of Attachment 1 attached hereto, and for breach or enforcement of any patent license, including any patent license referred to in Item B of Attachment 1 attached hereto, and all rights corresponding thereto throughout the world.

SECTION 3. Security Agreement. This Agreement has been executed and delivered by the Grantor for the purpose of registering the security interest of the Collateral Agent in the Patent Collateral with the United States Patent and Trademark Office and corresponding offices in other countries of the world. The security interest granted hereby has been granted as a supplement to, and not in limitation of, the security interest granted to the Collateral Agent for the benefit of each Secured Party under the Security Agreement. The Security Agreement (and all rights and remedies of the Collateral Agent and each Secured Party thereunder) shall remain in full force and effect in accordance with its terms.

SECTION 4. Release of Security Interest. Upon payment in full in cash of all Secured Obligations, the termination of all Term Loan Commitments, and the termination of all obligations under the Intercreditor Agreement, the Collateral Agent shall, at the Grantor's expense, execute and deliver to the Grantor all instruments and other documents as may be necessary or proper to release the lien on and security interest in the Patent Collateral which has been granted hereunder.

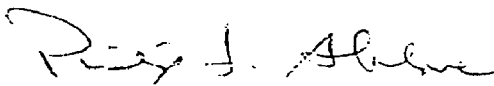
SECTION 5. Acknowledgment. The Grantor does hereby further acknowledge and affirm that the rights and remedies of the Collateral Agent with respect to the security interest in the Patent Collateral granted hereby are more fully set forth in the Security Agreement, the terms and provisions of which (including the remedies provided for therein) are incorporated by reference herein as if fully set forth herein.

SECTION 6. Collateral Document, etc. This Agreement is a Collateral Document executed pursuant to the Intercreditor Agreement and shall (unless otherwise expressly indicated herein) be construed, administered and applied in accordance with the terms and provisions of the Intercreditor Agreement.

SECTION 7. Counterparts. This Agreement may be executed by the parties hereto in several counterparts, each of which shall be deemed to be an original and all of which shall constitute together but one and the same agreement.

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

PIONEER LICENSING, INC.

By   
Name:  
Title:

UNITED STATES TRUST COMPANY OF  
NEW YORK, as Collateral Agent

By \_\_\_\_\_  
Name:  
Title:

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

PIONEER LICENSING, INC.

By \_\_\_\_\_  
Name:  
Title:

UNITED STATES TRUST COMPANY OF  
NEW YORK, as Collateral Agent

By Patricia Sterner  
Name:  
Title: **PATRICIA STERNER**  
**ASSISTANT VICE PRESIDENT**

24237057

Item A. Patents

EXHIBIT A  
LIST OF PATENTS

Delignifying lignocellulosic material (AQ pulping)	554/5/67	Belgium	864414		28/02/98
Delignification of lignocellulosic material (AQ + nitrobenzene)	563	Canada	1094264		27/01/98
Delignification of lignocellulosic material (Dicks-Alder adducts)	564	Canada	1096112		24/02/98
Delignification of lignocellulosic material (alkyl-subst. Dicks-Alder adducts)	566	Canada	1096111		24/02/98
Hydrophilic tho compounds in flotation separation of Cu and Mo	570	U.S.	4196073		20/03/98
Vapor phase process for delignifying lignocellulosic material	576	Canada	1132763		05/10/99
Electrolysis of alkali metal solutions in diaphragm cells	579	Canada U.S.	1098076 4162949		24/03/98 17/11/98
Delignification of lignocellulosic material (AQ in sulfuric acid)	668	Canada	1216105		06/01/04
Bleaching fibrous lignocellulosic pulp (thio compounds)	670	Canada	1193053		10/09/02
Vesiculated Polymer Granules	728	Australia	606443		03/08/08





Two-stage peroxide bleaching process	771	Canada U.S. New Zealand Australia European Finland Japan Norway Portugal	5118389 238830 634665	2045754 (Filed 26/06/91)	02/06/09 03/07/07 05/07/11
Waste paper treatment process	795	New Zealand Australia Finland Japan Canada European Norway India Indonesia PCT U.S.	252976 669907	pending pending pending pending pending pending pending pending pending pending pending	02/06/13 02/06/13
Mercury Recovery Process	812	Canada U.K. U.S.		2150988 (Filed 05/06/95) 9501604.4 (Filed 27/01/95 and 27/01/96) 08/503511 (Filed 18/07/95)	

Chemical Sludge Treatment Process	813	Canada U.S.	2150591 (Filed 31/05/95) 08/869600 (Filed 05/06/97)	
Hydraulic Mineral Separator	814	Canada.	2155249 (Filed 02/08/95)	
Mercury Recovery Process	812/3/4	PCT Australia Brazil European Japan Mexico Norway U.S.A.	CA96/00054 (Filed 24/01/96)	