


Form PTO-1595 (Adapted) (Exp. 6/30/2005)
(Rev. 10/02) Patent & Trademark

U.S. DEPARTMENT OF COMMERCE
RECORDATION FORM COVER SHEET

PATENTS ONLY

<p>1. Name of conveying party: Caraustar Custom Packaging Group (Maryland), Inc.</p> <p>Additional name(s) of conveying party(ies) attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>	<p>2. Name and address of receiving party(ies):</p> <p>Name: Bank of America, N.A.</p> <p>Address: 600 Peachtree Street 5th Floor</p> <p>City: Atlanta State/Zip: GA 30308 Country: USA</p> <p>Additional name(s) & address(es) attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
<p>3. Nature of conveyance:</p> <p><input type="checkbox"/> Assignment <input type="checkbox"/> Merger <input type="checkbox"/> Security Agreement <input type="checkbox"/> Change of Name <input checked="" type="checkbox"/> Other <u>Conditional Assignment and Patent Security Agreement</u></p> <p>Execution Date: June 24, 2003</p>	
<p>4(a). Patent Application No.(s):</p>	<p>4(b). Patent No.(s): 5,139,184 and 4,988,022</p>
<p>If this document is being filed together with a new application, the execution date of the application is:</p> <p>Additional numbers attached? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>	
<p>5. Name and address of party to whom correspondence concerning document should be mailed:</p> <p>Name: Michael S. Kerns, Esq.</p> <p>Address: TROUTMAN SANDERS LLP 600 Peachtree Street, NE Suite 5200 Atlanta, GA 30308</p>	<p>6. Total number of applications and patents involved: 2</p> <p>7. Total fee (37 CFR 3.41): \$80.00</p> <p><input type="checkbox"/> Enclosed <input checked="" type="checkbox"/> Authorized to be charged to Deposit Account</p> <p>8. Deposit Account No.: 20-1507 (Attach duplicate copy of this page if paying by deposit account)</p>
<p>DO NOT USE THIS SPACE</p>	
<p>9. Statement and signature.</p> <p><i>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.</i></p> <p> _____ Michael S. Kerns</p> <p>Date: <u>August 20, 2003</u></p> <p>Attorney Docket No.: <u>10644.111501</u></p> <p>Total number of pages including cover sheet: <u>12</u></p>	

Mail documents with required cover sheet information to:

Commissioner of Patents and Trademarks
Mail Stop Assignment Recordation Services
P.O. Box 1450, Alexandria, VA 22313-1450

CONDITIONAL ASSIGNMENT AND PATENT SECURITY AGREEMENT

THIS CONDITIONAL ASSIGNMENT AND PATENT SECURITY AGREEMENT (this "Agreement") is made as of June 24, 2003, by the Obligors referred to below in favor of the Agent, for the benefit of itself and the Lenders (as such terms are defined below).

WITNESSETH:

WHEREAS, Caraustar Industries, Inc., a North Carolina corporation ("Caraustar"), certain direct and indirect subsidiaries of Caraustar (each, together with Caraustar, an "Obligor" and, collectively, the "Obligors"), certain financial institutions (collectively, the "Lenders"), Bank of America, N.A., as agent for the Lenders (in such capacity, the "Agent"), and Banc of America Securities LLC, as Arranger, have entered into a Credit Agreement of even date herewith (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"; capitalized terms used herein without definition shall have the meanings ascribed to such terms in the Credit Agreement), pursuant to which the Lenders have agreed to make certain loans and other financial accommodations available to Caraustar and the other Obligors party to the Credit Agreement as "Borrowers" (the "Loans"); and

WHEREAS, the Obligors will derive substantial benefits, both directly and indirectly, from the Loans; and

WHEREAS, in order to induce the Agent and the Lenders to enter into the Credit Agreement and to make the Loans, the Obligors have agreed to collaterally assign to the Agent, for the benefit of itself and the Lenders, certain patent rights as described herein.

NOW, THEREFORE, in consideration of the premises, the parties hereto hereby agree as follows:

1. Grant of Security Interest.

To secure the complete and timely payment and performance of all Obligations, each Obligor hereby grants, assigns and conveys to the Agent, for the benefit of itself and the Lenders, a security interest in such Obligor's entire right, title and interest in and to the United States of America ("U.S.") patents and patent applications listed in Schedule A attached hereto and by reference made a part hereof and in any further United States patents or patent applications which may issue or be filed during the duration hereof, together with any and all licenses now or hereafter relating thereto and all royalty payments or rights to royalty payments now or hereafter arising therefrom (collectively, the "Parents").

2. Conditional Grant of Security Interest in Additional Patents.

If, before the Obligations shall have been satisfied in full and the Commitments shall have been terminated, any Obligor shall have or obtain ownership of any patent or patent application, the provisions of Paragraph 1 shall automatically apply thereto. This Paragraph 2 shall not apply to Patents which are owned by others and licensed to any Obligor. Each Obligor shall perform all acts and execute all documents reasonably requested by the Agent at any time and from time to time to evidence, perfect, maintain, record, and enforce the Agent's security interest in the Patents, including, without limitations, any patents falling under this Paragraph 2.

3. Modification of Agreement.

Each Obligor authorizes the Agent to modify this Agreement by amending Schedule A to include any additional patent or patent application which are Patents pursuant to Paragraphs 1 and 2 hereof, together with any then-existing limitations or licenses or claims to rights therein that have been made known to the Agent, and to have this Agreement, as amended, or any other document evidencing the security interest granted therein, recorded in the U.S. Patent and Trademark Office at the expense of the Obligors.

4. Remedies Upon Default: Power of Attorney

(a) In addition to the grant of the security interest contained in Paragraphs 1 and 2 hereof, if any Event of Default shall have occurred and be continuing, upon the election of the Agent, all right, title and interest in and to the Patents shall be automatically granted, assigned, conveyed and delivered to the Agent or its designee. Each Obligor hereby irrevocably constitutes and appoints the Agent and any officer, agent or employee thereof, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of such Obligor and in the name of such Obligor or the Agent's own name or the name of the Agent's designee, all acts of said attorney being hereby ratified and confirmed, upon the occurrence and continuance of an Event of Default: (i) to complete, date, execute and file, or cause to be filed, the Assignment attached hereto as Exhibit A and by reference made a part hereof (the "Assignment") in the U.S. Patent and Trademark Office and in all other applicable offices, and to execute and deliver any and all documents and instruments which may be necessary or desirable to accomplish the purpose of the Assignment, including, without limitation, the right (but not the obligation) to prosecute applications in the name of such Obligor or the Agent, and to take any other actions deemed necessary by the Agent to maintain such registration in effect; (ii) to collect all proceeds from the Patents (including, without limitation, license royalties and proceeds of infringement suits); (iii) to convey, in any transaction authorized by the Credit Agreement, the Security Agreement or any other Loan Document, any goods covered by the Patents to any purchaser thereof; and (iv) to make payment or to discharge taxes or liens levied or placed upon or threatened against any goods covered by the Patents, the legality or validity thereof and the amounts necessary to discharge the same to be determined by the Agent in its sole discretion, and such payments made by the Agent to become the obligations

of the Obligors to the Agent, due and payable immediately without demand. Such power, being coupled with an interest, is irrevocable.

(b) The Agent shall have, in addition to all other rights and remedies given it by this Agreement, those allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in any jurisdiction in which the Patents may be enforceable, and, without limiting the generality of the foregoing, the Agent may, if any Event of Default shall have occurred and be continuing, immediately, without demand or performance and without other notice (except as set forth below) or demand whatsoever to any Obligor, all of which are hereby expressly waived, and without advertisement, sell at public or private sale or otherwise realize upon, the Patents, and after deducting from the proceeds of sale or other disposition of the Patents all expenses (including all reasonable expenses for brokers' fees and legal services), shall apply the residue of such proceeds in accordance with the terms of the Loan Documents. Notice of any sale or other disposition of the Patents shall be given to Caraustar, in its capacity as agent for the Obligors, at least 10 days before the time of any intended public or private sale or other disposition of the Patents is to be made, which each Obligor hereby agrees shall be reasonable notice of such sale or other disposition. At any such sale or other disposition, the Agent or any Lender may, to the extent permissible under applicable law, purchase the whole or any part of the Patents sold, free from any right of redemption on the part of any Obligor, which right is hereby waived and released. Each Obligor hereby agrees to execute any documents reasonably requested by the Agent in connection with any disposition hereunder.

(c) Upon the occurrence of the conditional assignment provided for in Section 4(a), no Obligor will have any right, title, or interest in or to any of the Patents, and each Obligor shall cease and desist in the use of the Patents, and shall, upon written demand of the Agent, or pursuant to the terms of the Loan Documents, deliver to the Agent all goods covered by the Patents.

5. Termination of Agreement.

At such time as the Obligors shall completely satisfy all of the Obligations and the Commitments shall have been terminated, the Agent shall execute and deliver to the Obligors all deeds, assignments and other instruments as may be necessary or proper to re-vest in each Obligor title to the Patents, subject to any disposition thereof which may have been made by the Agent pursuant hereto.

6. Limitation of Liability and Indemnification.

Each Obligor hereby releases the Agent and any Lender from, and agrees to hold the Agent and any Lender free and harmless from and against, any claims arising out of any action taken or omitted to be taken with respect to the Patents (except to the extent of the Agent's or any Lender's gross negligence or willful misconduct), and each Obligor agrees to indemnify the Agent and any Lender from and against any and all claims, demands, suits, losses, damages or other expenses (including reasonable attorneys' fees) arising from or in any way related to the

Patents, except to the extent of the Agent's or the Lenders' gross negligence or willful misconduct.

7. Waiver and Amendment.

(a) No course of dealing between any Obligor and the Agent or the Lenders, nor any failure to exercise, nor any delay in exercising, on the part of the Agent or the Lenders, any right, power or privilege hereunder or thereunder shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

(b) This Agreement is subject to modification only by a writing signed by the Obligors and the Agent.

8. Cumulative Rights.

All of the Agent's and the Lenders' rights and remedies with respect to the Patents, whether established hereby or under any other Loan Document, or by any other agreements or by law, shall be cumulative and may be exercised singularly or concurrently.

9. Severability.

The provisions of this Agreement are severable, and if any clause or provision shall be held invalid and unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part thereof, in such jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction, or any other clause or provision of this Agreement in any jurisdiction.

10. Survival.

The benefits and burdens of this Agreement shall inure to the benefit of and be binding upon the respective successors and permitted assigns of the parties hereto.

11. Counterparts.

This Agreement may be executed in one or more counterparts, all of which taken together shall constitute one and the same instrument and any of the parties hereto may execute this Agreement by signing any such counterpart.

14. Choice of Law.

The validity, construction and enforcement of this Agreement, and the determination of the rights and duties of the parties hereto, shall be governed by the laws of the State of Georgia regardless of any choice of law or other provision that would result in the application of the laws of any other jurisdiction.

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

"OBLIGORS":

CARAUSTAR INDUSTRIES, INC.
CARAUSTAR CUSTOM PACKAGING GROUP, INC.
CARAUSTAR RECOVERED FIBER GROUP, INC.
CARAUSTAR INDUSTRIAL AND CONSUMER PRODUCTS
GROUP, INC.
CARAUSTAR MILL GROUP, INC.
SPRAGUE PAPERBOARD, INC.
PBL INC.
GYPSUM MGC, INC.
MCQUEENEY GYPSUM COMPANY
FEDERAL TRANSPORT, INC.
CAMDEN PAPERBOARD CORPORATION
HALIFAX PAPER BOARD COMPANY, INC.
CARAUSTAR CUSTOM PACKAGING GROUP
(MARYLAND), INC.
CHICAGO PAPERBOARD CORPORATION

By: 

Ronald J. Domanico

Vice President of each of the foregoing entities

CARAUSTAR, G.P.

By: CARAUSTAR INDUSTRIES, INC., general partner

By: 

Ronald J. Domanico, Vice President

By: CARAUSTAR INDUSTRIAL AND CONSUMER
PRODUCTS GROUP, INC., general partner

By: 

Ronald J. Domanico, Vice President

MCQUEENY GYPSUM COMPANY, LLC

By: MCQUEENY GYPSUM COMPANY, sole member

By: 
Ronald J. Domanico, Vice PresidentPARADIGM CHEMICAL & CONSULTING, LLC
RECCMG, LLCBy: CARAUSTAR MILL GROUP, INC., sole member
of each of the foregoingBy: 
Ronald J. Domanico, Vice President

CICPG, LLC

By: CARAUSTAR INDUSTRIAL AND CONSUMER
PRODUCTS GROUP, INC., sole memberBy: 
Ronald J. Domanico, Vice President

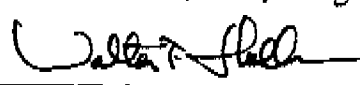
AUSTELL HOLDING COMPANY, LLC

By: CARAUSTAR INDUSTRIES, INC., sole member

By: 
Ronald J. Domanico, Vice President

"AGENT":

BANK OF AMERICA, N.A., as Agent

By: 
Walter T. Shellman, Vice President

SCHEDULE A

U.S. Patent Registrations

Record Owner	Title	Country	Patent No.
Caraustar Industries, Inc.	Winding Core Having Integral Entangling Mechanism	US	5,857,641
Caraustar Industries, Inc.	Protective Containerboard	US	4,711,702
Caraustar Industries, Inc.	Conductive Paper and Method	US	4,606,790
Caraustar Industries, Inc.	Form for Producing Concrete Columns with Recessed Rings	US	6,270,052
Caraustar Industries, Inc.	Commodity Partition	US	5,222,659
Caraustar Industries, Inc.	Flip-top reclosable carton with positive closure arrangement	US	5,154,343
Caraustar Industries, Inc.	Carton and liner tear-tape assembly	US	5,236,123
Caraustar Industries, Inc.	Flip-top reclosable carton and liner assembly	US	5,265,799
Caraustar Industries, Inc.	Flip-top reclosable carton with positive closure arrangement	US	5,314,114
Caraustar Industries, Inc.	Paperboard Carton-liner assembly with balancing means	US	5,439,133
Caraustar Industries, Inc.	Flip-top reclosable carton with positive closure arrangement	US	5,515,996
Caraustar Industries, Inc.	Reclosable container with press-bonded collar	US	5,551,938
Caraustar Industries, Inc.	Paperboard dispenser having separately formed drawer	US	5,458,272
Caraustar Industries, Inc.	Flip-top reclosable carton and method of making the same	US	5,505,374
Caraustar Industries, Inc.	Tray-lid assembly	US	5,516,035
Caraustar Industries, Inc.	Paperboard container with integral paperboard spout	US	5,531,376
Caraustar Industries, Inc.	Nestable blank for forming a side-filled, flip-top reclosable carton	US	5,743,462
Caraustar Industries, Inc.	Flip-top reclosable carton and blank for making the same	US	5,673,849
Caraustar Industries, Inc.	Two-piece, crash-bottom basket carrier	US	5,680,930
Caraustar Industries, Inc.	Flip-top reclosable carton with reduced weight liner	US	5,775,576
Caraustar Industries, Inc.	Shaker pour spout dispenser	US	5,746,370
Caraustar Industries, Inc.	Non-directional paperboard spout pour spout	US	5,810,250
Caraustar Industries, Inc.	Flip-top reclosable container with integrally formed collar	US	5,875,963
Caraustar Industries, Inc.	Non-directional paperboard pour spout	US	5,875,961
Caraustar Industries, Inc.	Collapsible paperboard carton	US	5,725,144

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Record Owner	Title	Country	Patent No.
Caraustar Industries, Inc.	Child resistant Paperboard carton	US	5,660,325
Caraustar Industries, Inc.	Controlled release insect repellent devise	US	5,688,509
Caraustar Industries, Inc.	Food package for use in a microwave oven	US	34,829
Caraustar Industries, Inc.	Two-Piece Paperboard Container with Pour Spout	US	5,893,513
Caraustar Industries, Inc.	Forward-tilting Display Container with Fold-out Doors	US	5,899,324
Caraustar Industries, Inc.	Flip-top Carton with Integral Partial Collar	US	5,911,359
Caraustar Industrial and Consumer Products Group, Inc.	Method of Forming Damped Drive Shafts	US	6,370,756
Caraustar Industrial and Consumer Products Group, Inc.	Expandable Drive Shaft Damper and Method of Forming	US	5,868,627
Caraustar Industrial and Consumer Products Group, Inc.	Drive Shaft Damper	US	5,976,021
Caraustar Industrial and Consumer Products Group, Inc.	Drive Shaft Damper	US	4,909,361
Caraustar Industrial and Consumer Products Group, Inc.	Vibration Damping Shaft Liner	US	5,924,531
Caraustar Industrial and Consumer Products Group, Inc.	Method of Forming Damped Drive Shafts	US	6,370,756
Caraustar Custom Packaging, Inc.	Partial Web in Tray Corners	US	6,505,769
Caraustar Industrial and Consumer Products Group, Inc.	Deformable Plug for Use with Reduced Diameter End Shafts	US	6,428,017
Caraustar Custom Packaging Group (Maryland), Inc.	Garment Hanger Shoulder Guard	US	5,139,184
Caraustar Custom Packaging Group (Maryland), Inc.	Garment Hanger Shoulder Guard and Blank Therefor	US	4,988,022
Caraustar Industrial and Consumer Products Group, Inc.	Tube Forming Apparatus and Method	US	4,854,991

EXHIBIT A**Assignment of Patents**

THIS ASSIGNMENT dated the ____ day of _____, 20__, from _____, a _____ (the "Obligor"), to BANK OF AMERICA, N.A., as Agent (the "Assignee"), recites and provides:

WHEREAS, the Obligor is owner of all right, title and interest in and to certain patents and patent applications identified in Schedule A appended hereto (the "Patents"); and

WHEREAS, the Assignee desires to obtain for the Lenders (as defined in the Conditional Assignment and Patent Security Agreement dated as of June 24, 2003 by the Assignor and certain affiliates of the Assignor in favor of the Assignee (the "Conditional Assignment") all of the Obligor's right, title and interest in all such Patents.

NOW, THEREFORE, in exchange for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Obligor does hereby sell, assign and transfer to the Assignee, its successors and assigns, the entire right, title and interest of the Obligor in and to the Patents and any and all licenses now or hereafter relating thereto and all royalty payments or rights to royalty payments now or hereafter arising therefrom.

The Obligor further agrees to execute such further instruments and documents and perform such further acts as the Assignee may deem necessary to secure to the Assignee the rights herein conveyed.

The Obligor warrants and represents that it is the sole owner of the interest conveyed hereunder and that such interest is not the subject of any prior transfer, assignment, lien, mortgage or other transaction which would affect the Obligor's ability to transfer such interest.

The Obligor further agrees to indemnify the Assignee and the Lenders for any breach of the above warranty.

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

[Obligor's Name]

By: _____
Name: _____
Title: _____

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