

05-26-2004

MRD 5-25-04

Form PTO-1595

(Rev. 03/01)

OMB No. 0651-0027 (exp. 5/31/2002)

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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.

1. Name of conveying party(ies):

Bear Island Paper Company, L.L.C.

2. Name and address of receiving party(ies)

Name: Black Diamond Commercial Finance, L.L.C.

Internal Address: _____

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

3. Nature of conveyance:

☐ Assignment☐ Merger☒ Security Agreement☐ Change of Name☒ Other Reel 8886/Frame 0417

Street Address: 100 Field Drive

City: Lake Forest State: IL Zip: 60045

Execution Date: 1/5/04

Additional 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) 4,708,771;

5,089,089

Additional numbers attached? ☐ Yes ☒ No

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

Name: Kristin Brozovic

Internal Address: _____

GT0N11 00000025 4708771

80.00 OP
120.00 OP

Street Address: Latham & Watkins LLP

233 S. Wacker Drive, Suite 5800

City: Chicago State: IL Zip: 60606

6. Total number of applications and patents involved: 2

7. Total fee (37 CFR 3.41).....\$ 80.00

☒ Enclosed☐ Authorized to be charged to deposit account

8. Deposit account number: _____

DO NOT USE THIS SPACE

9. Signature.

Kristin Brozovic

Name of Person Signing

Signature

5/22/04

Date

Total number of pages including cover sheet, attachments, and documents: 6

Mail documents to be recorded with required cover sheet information to:

Commissioner of Patents & Trademarks, Box Assignments
Washington, D.C. 20231

05/26/2004

01 FC:8021

02 FC:8023

PATENT
REEL: 014669 FRAME: 0471

PATENT SECURITY AGREEMENT

PATENT SECURITY AGREEMENT, dated as of January 5, 2004, by BEAR ISLAND PAPER COMPANY, L.L.C., a Virginia limited liability company ("Grantor"), in favor of BLACK DIAMOND COMMERCIAL FINANCE, L.L.C., a Delaware limited liability company ("BDCF"), in its capacity as administrative agent for Lenders (in such capacity, "Administrative Agent").

W I T N E S S E T H:

WHEREAS, pursuant to that certain Credit Agreement dated as of December 1, 1997 by and among Grantor, Administrative Agent (as assignee of Toronto Dominion (Texas), Inc., as prior administrative agent) and the Persons signatory thereto from time to time as Lenders (including all annexes, exhibits or schedules thereto, as from time to time amended, restated, supplemented or otherwise modified, the "Credit Agreement"; capitalized terms used but not otherwise defined herein have the meanings given to them in the Credit Agreement), Lenders have agreed to make the Loans for the benefit of Grantor;

WHEREAS, Toronto Dominion (Texas), Inc. has resigned as administrative agent under the Credit Agreement and the other Loan Documents (including the Security and Pledge Agreement dated as of December 1, 1997 by and between Grantor and Administrative Agent (the "Security and Pledge Agreement")), TD Securities (USA) Inc. has resigned as arranger under the Credit Agreement and The Toronto-Dominion Bank has resigned as issuing lender under the Credit Agreement, and BDCF has been appointed by Lenders as Administrative Agent; and

WHEREAS, pursuant to the Security and Pledge Agreement, Grantor is required to execute and deliver to Administrative Agent, for itself and the ratable benefit of Lenders, this Patent Security Agreement.

NOW, THEREFORE, in consideration of the premises and mutual covenants herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor hereby agrees as follows:

1 GRANT OF SECURITY INTEREST IN PATENT COLLATERAL.

Grantor hereby assigns and transfers to the Administrative Agent, and hereby grants to the Administrative Agent, for the ratable benefit of the Lenders, a security interest in, all of the following property now owned or at any time hereafter acquired by such Grantor or in which such Grantor now has or at any time in the future may acquire any right, title or interest (collectively, the "Patent Collateral"), as collateral security for the prompt and complete payment and performance when due (whether at the stated maturity, by acceleration or otherwise) of the Obligations:

(a) (i) all patents arising under the laws of the United States, any other country or any political subdivision thereof, whether registered or unregistered and whether published or unpublished (including, without limitation, those listed in Schedule I hereto), all registrations and recordings thereof, and all applications in connection therewith, including, without limitation, all registrations, recordings and applications in

the United States Patent and Trademark Office and (ii) the right to obtain all renewals thereof;

(b) any written agreement naming Grantor as licensor or licensee (including, without limitation, those listed in Schedule I hereto), granting any right under any patents, including, without limitation, the grant of rights to manufacture, distribute, exploit and sell materials derived from any Patent; in each case with respect to all of the foregoing only to the extent the grant by Grantor of a security interest pursuant to this Patent Security Agreement in its right, title and interest in such contract, agreement, instrument or indenture is not prohibited by such contract, agreement, instrument or indenture without the consent of any other party thereto, would not give any other party to such contract, agreement, instrument or indenture the right to terminate its obligations thereunder, or is permitted with consent if all necessary consents to such grant of a security interest have been obtained from the other parties thereto (it being understood that the foregoing shall not be deemed to obligate Grantor to obtain such consents); provided, that the foregoing limitation shall not affect, limit, restrict or impair the grant by Grantor of a security interest pursuant to this Patent Security Agreement in any Receivable (as defined in the Security and Pledge Agreement) or any money or other amounts due or to become due under any such contract, agreement, instrument or indenture; and

(c) to the extent not otherwise included, all Proceeds (as defined in the Security and Pledge Agreement) and products of any and all of the foregoing and all collateral security and guarantees given by any Person with respect to any of the foregoing.

2 SECURITY AGREEMENT. The security interests granted pursuant to this Patent Security Agreement are granted in conjunction with the security interests granted to Administrative Agent, on behalf of itself and Lenders, pursuant to the Pledge and Security Agreement. Grantor hereby acknowledges and affirms that the rights and remedies of Administrative Agent with respect to the security interest in the Patent Collateral made and granted hereby are more fully set forth in the Pledge and Security Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein.

[signature page follows]

IN WITNESS WHEREOF, Grantor has caused this Patent Security Agreement to be executed and delivered by its duly authorized officer as of the date first set forth above.

BEAR ISLAND PAPER COMPANY,
L.L.C., as Grantor

By: 

Name: Edward D. Sherrick

Title: VP

ACCEPTED AND ACKNOWLEDGED BY:

BLACK DIAMOND COMMERCIAL
FINANCE, L.L.C., as Administrative Agent

By: _____

Name: _____

Title: _____

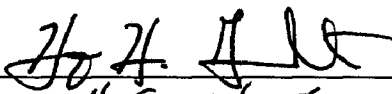
IN WITNESS WHEREOF, Grantor has caused this Patent Security Agreement to be executed and delivered by its duly authorized officer as of the date first set forth above.

BEAR ISLAND PAPER COMPANY,
L.L.C., as Grantor

By: _____
Name: _____
Title: _____

ACCEPTED AND ACKNOWLEDGED BY:

BLACK DIAMOND COMMERCIAL
FINANCE, L.L.C., as Administrative Agent

By: 
Name: H. Gravenhorst
Title: V.P.

SCHEDULE I
to
PATENT SECURITY AGREEMENT

PATENT REGISTRATIONS

Patents:

Patent	Patent Number	Country
Sulphonating Mechanical Pulp Fibres	8550277	Australia
Sulphonating Mechanical Pulp Fibres	588006	Australia
System and Process For Sulfonating Mechanical Pulp Fibres	1250702	Canada
System Och Foerfarande Foer Sulfonering Av Fibrena I Mekanisk Sellulosamassa	8505119	Finland
Fremgangsmaate Og Apparat For Sulfonering Av Fibrere I Mekanisk Pulp	8505245	Norway
Fremgangsmaate Og Apparat for Forbedring Av Egenshapene Til Trefibre I Mekanisk Masse Ved Sulfonering I Flere Trinn	171997	Norway
Forfarande Och System For Sulfonering Av Fibrer I Mekanisk Massa	8506079	Sweden
Forfarande Och Anordning Foer Sulfonering I Tvaa Steg Av Fibrer I Mekanisk Massa	468818	Sweden
Tow-State Process For Sulphonating Mechanical Pulp Fibres	4708771	Unites States
System For Sulfonating Mechanical Pulp Fibres	5089089	United States