

PATENT ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	ASSIGNMENT
CONVEYING PARTY DATA	
Name	Execution Date
Climax Manufacturing Company	03/02/2006
RECEIVING PARTY DATA	
Name:	Manufacturers and Traders Trust Company
Street Address:	One Fountain Plaza, 3rd Floor
Internal Address:	Attn: Collateral Documentation Department
City:	Buffalo
State/Country:	NEW YORK
Postal Code:	14203-1495
PROPERTY NUMBERS Total: 4	
Property Type	Number
Patent Number:	6305600
Patent Number:	5989171
Patent Number:	5364015
Patent Number:	D442859
CORRESPONDENCE DATA	
Fax Number:	(410)385-3700
<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>	
Phone:	410-385-3426
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Correspondent Name:	Melissa Kramer
Address Line 1:	10 Light Street
Address Line 4:	Baltimore, MARYLAND 21202
ATTORNEY DOCKET NUMBER:	258-3112
NAME OF SUBMITTER:	Gabriel Walvatne

CH \$160.00 6305600

Total Attachments: 10

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COLLATERAL ASSIGNMENT OF PATENTS AS SECURITY

THIS COLLATERAL ASSIGNMENT OF PATENTS AS SECURITY (this "Assignment") is made as of this 2nd day of March, 2006, by CLIMAX MANUFACTURING COMPANY, a New York corporation (the "Assignor"), in favor of MANUFACTURERS AND TRADERS TRUST COMPANY, a New York banking corporation (the "Lender").

RECITALS

A. The Assignor has applied to the Lender for certain revolving credit, term loan and direct pay letter of credit facilities (the "Credit Facilities") under the provisions of a certain Amended, Restated and Consolidated Loan and Security Agreement dated the date hereof by and between the Lender and the Assignor (as amended, restated, supplemented or otherwise modified, the "Loan Agreement"). All capitalized terms used, but not specifically defined herein, shall have the same meaning given such terms in the Loan Agreement.

B. The Assignor owns the patents and patent applications listed on SCHEDULE A attached hereto and made a part hereof (collectively, the "Patents").

C. The Loan Agreement and certain other Financing Documents contain security agreements under which the Assignor has granted to the Lender, a Lien on, and security interest in, certain assets of the Assignor associated with or relating to products covered by one or more of the Patents and which security agreements entitle the Lender to foreclose on or otherwise deal with the Patents under the terms and conditions set forth in the Loan Agreement.

D. The Lender desires to have its interest in such Patents confirmed by a document identifying the same and in such form that it may be recorded in the United States Patent and Trademark Office.

E. As collateral security for the Obligations, whether arising under the Financing Documents or otherwise, the Assignor has agreed to assign the Patents to the Lender.

NOW THEREFORE, with the foregoing Recitals being deemed incorporated by reference and made a part hereof, and in consideration of the premises and mutual promises herein contained, the parties hereto, intending to be legally bound hereby, covenant and agree as follows:

ARTICLE I
ASSIGNMENT

In consideration of and pursuant to the terms of the Loan Agreement and each of the other Financing Documents, and for other good, valuable and sufficient consideration, the receipt of which is hereby acknowledged, and to secure all of the Obligations, the Assignor hereby grants, assigns and conveys to the Lender all of its present and future right, title and interest in and to, and grants to the Lender a security interest in, Lien on, and collateral assignment of, the Patents, together with all of the Assignor's rights, title and interests in and to (a) any and all inventions and improvements described or claimed in any Patents, (b) divisions, continuations,

continuations-in-part, reissues and extensions of any Patents, (c) income, royalties, damages, claims and payments now or hereafter due and/or payable under or with respect to any Patents, including, without limitation, damages and payments for past and future infringements, (d) rights to sue for past, present and future infringements of Patents, and (e) all rights corresponding to any of the foregoing throughout the world.

The foregoing grant, security interest and assignment is a present grant of a collateral assignment and, upon the occurrence of an Event of Default and notice to the Assignor from the Lender, and subject to the filing with and notice to the United States Patent and Trademark Office, shall become an absolute assignment in favor of the Lender or in favor of such person as the Lender may designate, and may be the subject of such confirmatory instruments as the Lender may elect, which instruments shall be conclusive evidence of the Event of Default and absolute assignment.

ARTICLE II REPRESENTATIONS AND WARRANTIES

Section 2.1 Patent Existence.

The Assignor represents and warrants to the Lender, and shall be deemed to represent and warrant to the Lender at the time each request for an advance under the Loans or for a Commercial Letter of Credit is submitted and again at the time any advance is made under the Loans or Commercial Letter of Credit is issued, that based on the records of the United States Patent and Trademark Office and on the Assignor's knowledge:

2.1.1 The Patents are subsisting and have not been adjudged invalid or unenforceable.

2.1.2 Each of the Patents is valid and enforceable.

2.1.3 Except as set forth on SCHEDULE B to this Assignment, the Assignor is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to the Patents, each of the Patents is free and clear of any Liens (other than Permitted Liens), licenses, and other encumbrances including, without limitation, covenants by the Assignor not to sue third persons.

2.1.4 The Assignor has the right to enter into this Assignment and perform its terms.

ARTICLE III COVENANTS AND AGREEMENTS

Section 3.1 New Agreements, Patents and Consents.

The Assignor covenants that until all the Obligations have been paid and performed in full, all commitments have been terminated or have expired and all Commercial Letters of Credit have been cancelled or have expired:

3.1.1 It will not enter into any agreement, including, without limitation, license agreements that would have a material adverse effect on the Lender's rights under this Assignment.

3.1.2 It will exercise reasonable supervision over each of its present and future employees, agents and consultants, which will enable the Assignor to comply with the covenants herein contained.

3.1.3 If the Assignor obtains rights to or becomes entitled to the benefit of any patent, patent application, or invention (other than the Patents), the provisions of this Assignment shall automatically apply thereto, and the Assignor shall give the Lender prompt written notice thereof along with an amended SCHEDULE A.

3.1.4 The Assignor shall, at the Lender's request, obtain consents to this Assignment where the Assignor's right to assign any Patents requires such consent.

Section 3.2 Maintenance.

3.2.1 Except as permitted by the Loan Agreement, the Assignor hereby covenants and agrees to maintain the Patents in full force and effect until all of the Obligations are satisfied in full, all commitments have been terminated or have expired and all Commercial Letters of Credit have been cancelled or have expired.

3.2.2 Except as permitted by the Loan Agreement, the Assignor shall have the duty to (a) prosecute diligently any patent application that is part of the Patents, whether pending on the date of this Assignment or filed thereafter, to the extent the value of such application in the Assignor's business justifies such prosecution, until the Obligations shall have been satisfied in full, all commitments have been terminated or have expired and all Commercial Letters of Credit have been cancelled or have expired, (b) preserve and maintain all rights in the Patents, including, but not limited to, the payment of maintenance fees, if any, and (c) upon reasonable written request of the Lender, to file patent applications for patentable inventions. Any expenses incurred in connection with such applications shall be part of the Enforcement Costs. The Assignor shall not abandon any Patent without the consent of the Lender.

3.2.3 Prior to an Event of Default, the Assignor shall have the right to bring suit in its own name to enforce the Patents, in which event the Lender may, if necessary, at the Assignor's sole expense, be joined as a nominal party to such suit if the Lender shall have been satisfied that it is not thereby incurring any risk of liability because of such joinder. If the Lender brings suit to enforce any of the Patents after an Event of Default, the Assignor shall promptly, upon demand, reimburse and indemnify the Lender for all damages, costs and reasonable expenses, including attorneys' fees, as they are incurred by the Lender

3.2.4 If the Assignor fails to comply with any of its obligations hereunder in any material respect, the Lender may do so in the Assignor's name or in the Lender's name, but at the Assignor's expense, and the Assignor hereby agrees to reimburse and indemnify the Lender in full for all reasonable expenses, including reasonable attorneys' fees, incurred by the Lender in protecting, defending and maintaining the Patents.

3.2.5 The Assignor will continue to use, for the duration of this Assignment, proper statutory identification in connection with its use of the Patents.

Section 3.3 Fees and Expenses.

The Assignor agrees to pay to the Lender upon demand as part of the Enforcement Costs, any and all reasonable fees, costs and expenses, of whatever kind or nature, including attorneys' fees and legal expenses incurred by the Lender in connection with the preparation of this Assignment and of all other documents relating hereto and the consummation of this transaction, the filing or recording of any documents (including all taxes in connection therewith) in public offices, the payment or discharge of any taxes, counsel fees, maintenance fees, encumbrances or costs otherwise incurred in protecting, maintaining or preserving the Patents, or in enforcing the Lender's rights therein or in defending or prosecuting any actions or proceedings arising out of or related to the Patents.

ARTICLE IV
EVENTS OF DEFAULT; RIGHTS AND REMEDIES

Section 4.1 Assignor Use.

Prior to an Event of Default (a) the Assignor shall have an exclusive, nontransferable right and license to make, have made, use, and sell the inventions claimed in the Patents and (b) the Lender shall not have such rights or the right to grant licenses under the Patents, or to assign, pledge or otherwise transfer title in the Patents to any other party. Except as otherwise permitted by the Loan Agreement, the Assignor agrees not to sell or assign its interest in, or grant any sublicense under, except in the ordinary course of the Assignor's business and only if the sublicensee is provided notice that the sublicense is subject to the terms of this Assignment, or allow any Lien (other than Permitted Liens) to attach to, the license granted to the Assignor in this Section, without the prior written consent of the Lender.

Section 4.2 Certain Lender Rights.

The Assignor hereby covenants and agrees that the Lender, as assignee hereunder and as the holder of a security interest under the Uniform Commercial Code, as now or hereafter in effect in the State of New York, and under any other applicable law, following an Event of Default, upon notice to the Assignor, may terminate the license set forth in Section 4.1 and may take such other action permitted hereunder or under the other Financing Documents or permitted by applicable Laws, in its exclusive discretion, to foreclose upon the Patents covered hereby. For such purposes, the Assignor hereby authorizes and empowers the Lender to make, constitute and appoint any officer of Lender as the Lender may select, in its exclusive discretion, (with full power of substitution and delegation, in its exclusive discretion), as the Assignor's true and lawful attorney-in-fact, with the power, without notice to the Assignor, to endorse the Assignor's name on all applications, documents, papers and instruments in the name of the Lender or in the name of the Assignor or otherwise, for the use and benefit of the Lender to use the Patents or to grant or issue any license under the Patents, or necessary for the Lender to assign, pledge, convey or otherwise transfer title in or dispose of the Patents. This power of attorney shall be irrevocable for the life of this Assignment, the Loan Agreement, the Financing Documents and other obligations and until all of the Obligations to the Lender are satisfied in full and all

commitments and Commercial Letters of Credit have been terminated or otherwise have expired.

Section 4.3 Rights and Remedies.

All rights and remedies herein granted to the Lender shall be in addition to any rights and remedies granted to the Lender under the Financing Documents.

Section 4.4 Re-Vesting of Assignor's Rights.

Upon the full payment and performance of all of the Obligations and termination or expiration of all commitments and all Commercial Letters of Credit, the Lender shall, upon the Assignor's request and at the Assignor's expense, execute and deliver to the Assignor all documents reasonably necessary to terminate this Assignment and re-vest in the Assignor full title to the Patents.

Section 4.5 No Waiver.

No course of dealing between the Assignor and the Lender, nor any failure to exercise, nor any delay in exercising, on the part of the Lender, any right, power or privilege hereunder or under the Financing Documents shall operate as a waiver thereof, and all of the Lender's rights and remedies with respect to the Patents, whether established hereby or by the Financing Documents, or by any other future agreements between the Assignor and the Lender or by law shall be cumulative and may be exercised singularly or concurrently.

ARTICLE V
MISCELLANEOUS

Section 5.1 Severability.

The provisions of this Assignment are severable and the invalidity or unenforceability of any provision herein shall not affect the remaining provisions which shall continue unimpaired and in full force and effect.

Section 5.2 Successors and Assigns.

This Assignment shall inure to the benefit of and be binding upon the respective successors and permitted assigns of the parties and shall specifically inure, without limitation, to the benefit of each Person who may from time to time be the "Lender" under the Loan Agreement.

Section 5.3 Modification.

This Assignment is subject to modification only by a writing signed by the parties and shall be subject to the terms, provisions, and conditions set forth in the Loan Agreement and may not be modified without the written consent of the party against whom enforcement is being sought.

Section 5.4 Captions and Headings.

The section headings in this Assignment are for convenience only, and shall not limit or otherwise affect any of the terms hereof.

Section 5.5 Governing Law.

This Assignment shall be governed by and construed in conformity with the laws of the State of New York.

[Signatures Follow on Next Page]

SIGNATURE PAGE TO
COLLATERAL ASSIGNMENT OF PATENTS AS SECURITY

IN WITNESS WHEREOF, the Assignor has executed this Assignment under seal, the day and year first above written.

WITNESS OR ATTEST:

CLIMAX MANUFACTURING COMPANY

Richard W. Cook
Secretary

By: John J. Wheeler (SEAL)
John J. Wheeler
Vice President Finance

Approved and Accepted:

MANUFACTURERS AND TRADERS
TRUST COMPANY

By: _____
Louis J. Noppenberger
Vice President

ACKNOWLEDGMENT

STATE OF NEW YORK, COUNTY OF ONONDAGA, TO WIT:

On this 1st day of March, 2006, before me personally appeared John J. Wheeler, to me known and being duly sworn, deposes and says that he is the Vice President Finance of CLIMAX MANUFACTURING COMPANY, a New York corporation, the Assignor; that he signed the Assignment as Vice President Finance of such corporation pursuant to the authority vested in him by law; that the within Assignment is the voluntary act of such corporation; and he desires the same to be recorded as such.

Richard W. Cook
Notary Public

My Commission Expires: _____

RICHARD W. COOK
Notary Public, State of New York
Qualified in Onon. Co. No. 4624927
My Commission Expires 12/31/06

SIGNATURE PAGE TO
COLLATERAL ASSIGNMENT OF PATENTS AS SECURITY

IN WITNESS WHEREOF, the Assignor has executed this Assignment under seal, the day and year first above written.

WITNESS OR ATTEST:

CLIMAX MANUFACTURING COMPANY

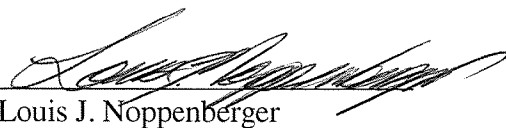
By: _____(SEAL)

John J. Wheeler
Vice President Finance

Approved and Accepted:

MANUFACTURERS AND TRADERS
TRUST COMPANY

By: _____


Louis J. Noppenberger
Vice President

ACKNOWLEDGMENT

STATE OF NEW YORK, COUNTY OF _____, TO WIT:

On this ___ day of _____, 2006, before me personally appeared John J. Wheeler, to me known and being duly sworn, deposes and says that he is the Vice President Finance of CLIMAX MANUFACTURING COMPANY, a New York corporation, the Assignor; that he signed the Assignment as Vice President Finance of such corporation pursuant to the authority vested in him by law; that the within Assignment is the voluntary act of such corporation; and he desires the same to be recorded as such.

Notary Public

My Commission Expires: _____

LIST OF PATENTS

Patent No.	Issue Date	Title
6,305,600	10.23.2001	Carton having a prefolded interior paper lining and a method of preparing a carton with a prefolded interior paper lining.
5,989,171	11.23.1999	Carton having a prefolded interior paper lining and a method of preparing a carton with a prefolded interior paper lining.
5,364,015	11.15.1994	Box with simulated loose wrap.
D442,859	05.29.2001	Carton

SCHEDULE B

NONE