

PATENT ASSIGNMENT

Electronic Version v1.1

Stylesheet Version v1.1

SUBMISSION TYPE:

NEW ASSIGNMENT

NATURE OF CONVEYANCE:

Patent Security Agreement

CONVEYING PARTY DATA

Name	Execution Date
HILEX POLY CO. LLC	05/08/2008

RECEIVING PARTY DATA

Name:	GENERAL ELECTRIC CAPITAL CORPORATION, as Revolving Collateral Agent for the Revolving Lenders and as Term Loan Collateral Agent
Street Address:	350 S. Beverly Drive, Suite 200
City:	Beverly Hills
State/Country:	CALIFORNIA
Postal Code:	90212

PROPERTY NUMBERS Total: 28

Property Type	Number
Patent Number:	4995860
Patent Number:	5074674
Patent Number:	5125604
Patent Number:	5207368
Patent Number:	5335788
Patent Number:	5362152
Patent Number:	5421803
Patent Number:	5562580
Patent Number:	5626550
Patent Number:	5667173
Patent Number:	5690229
Patent Number:	5845779
Patent Number:	5881882
Patent Number:	5924573

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OP \$1120.00 4995860

Patent Number:	5941393
Patent Number:	5979841
Patent Number:	6264035
Patent Number:	6286681
Patent Number:	6401971
Patent Number:	6446811
Patent Number:	D396636
Patent Number:	D505036
Patent Number:	D547580
Patent Number:	D552901
Application Number:	10760925
Application Number:	11237472
Application Number:	11543646
Application Number:	11607665

CORRESPONDENCE DATA

Fax Number: (714)755-8290
Correspondence will be sent via US Mail when the fax attempt is unsuccessful.
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 Email: ipdocket@lw.com, kristin.azcona@lw.com
 Correspondent Name: Latham & Watkins LLP
 Address Line 1: 650 Town Center Drive, 20th Floor
 Address Line 4: Costa Mesa, CALIFORNIA 92626

ATTORNEY DOCKET NUMBER:	035060-0011
NAME OF SUBMITTER:	Kristin J. Azcona

Total Attachments: 9

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PATENT SECURITY AGREEMENT

THIS PATENT SECURITY AGREEMENT (this "Agreement") is dated as of May 8, 2008, by HILEX POLY CO. LLC, a Delaware limited liability company (the "Grantor"), as debtor and debtor-in-possession, the address of which is 101 East Carolina Avenue, Hartsville, South Carolina 29550, in favor of GENERAL ELECTRIC CAPITAL CORPORATION, a Delaware corporation ("GE Capital"), the address of which is 350 S. Beverly Drive, Suite 200, Beverly Hills, CA 90212, individually and in its capacity as Revolving Collateral Agent for the Revolving Lenders (in such capacity, the "Revolving Collateral Agent"), and GENERAL ELECTRIC CAPITAL CORPORATION, a Delaware corporation, the address of which is 350 S. Beverly Drive, Suite 200, Beverly Hills, CA 90212, individually and in its capacity as Term Loan Collateral Agent for the Term Lenders (in such capacity, the "Term Loan Collateral Agent").

WITNESSETH:

WHEREAS, on May 6, 2008, Grantor and Hilex Poly Holding Co. LLC, a Delaware limited liability company ("Holdings"), commenced Chapter 11 Case Nos. 08-10890 and 08-10891, as administratively consolidated at Chapter 11 Case No. 08-10890, by filing separate voluntary petitions for reorganization under Chapter 11, 11 U.S.C. 101 et seq. (the "Bankruptcy Code"), with the United States Bankruptcy Court for the District of Delaware. Grantor and Holdings continue to operate their businesses and manage their properties as debtors and debtors-in-possession pursuant to Sections 1107(a) and 1108 of the Bankruptcy Code;

WHEREAS, the parties hereto have entered into that certain Senior Secured, Super-Priority Debtor-In-Possession Credit Agreement, dated as of May 8, 2008, among Grantor, Holdings, GE Capital, for itself, as lender, revolving agent and revolving collateral agent for the revolving lenders, GE Capital, as term loan collateral agent for the term lenders and as administrative agent for the lenders, GE Capital, as an L/C issuer, GE Capital, as documentation agent, GE Capital Markets, Inc., as co-lead arranger and co-bookrunner, Morgan Stanley Senior Funding, Inc., as co-lead arranger and co-bookrunner, and the other lenders signatory thereto from time to time (including all annexes, exhibits and schedules thereto, as from time to time amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "Credit Agreement");

WHEREAS, in connection with the Credit Agreement, the Grantor, the other Credit Parties named therein, the Revolving Collateral Agent and the Term Loan Collateral Agent have entered into that certain Security Agreement dated as of the date hereof (including all annexes, exhibits and schedules thereto, as from time to time amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "Security Agreement");

WHEREAS, pursuant to the Security Agreement, the Grantor is required to execute and deliver to each of the Revolving Collateral Agent, for itself and the benefit of the Revolver Secured Parties, and the Term Loan Collateral Agent, for itself and the benefit of the Term Loan Secured Parties, this Agreement; and

WHEREAS, the grant of such security interests has been authorized pursuant to sections 364(c)(2), 364(c)(3) and 364(d)(1) of the Bankruptcy Code by the Interim Order and, after the entry thereof, will have been so authorized by the Final Order.

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, the Grantor hereby agrees as follows:

1. DEFINED TERMS.

(a) All capitalized terms used herein but not otherwise defined herein shall have the meanings given them in the Credit Agreement.

(b) “Patent Collateral” means all of the Grantor’s right, title and interest in, to and under, whether presently existing or hereafter created or acquired, the following:

(i) all of its Patents and Patent Licenses to which it is a party, including those referred to on Schedule I hereto; all reissues, continuations or extensions of the foregoing; and

(ii) all products and proceeds of the foregoing, including, without limitation, any claim by the Grantor against any third party for past, present or future infringement of any Patent or Patent licensed under any Patent License;

provided, however, that the Patent Collateral shall not include any rights or interests of the Grantor under any Patent License in effect on the Closing Date, if, and solely to the extent that, the granting of a security interest in favor of any of the Revolver Secured Parties or the Term Loan Secured Parties with respect to such Patent License would cause a default under the express terms of such Patent License (other than to the extent that any such term would be rendered ineffective pursuant to the UCC (including, without limitation, with respect to any Account, payment intangible, Chattel Paper or promissory note) or any other applicable law, including, without limitation, the Bankruptcy Code or principles of equity); provided further, however, that immediately upon the ineffectiveness, lapse, amendment, or termination of any such term, such Patent License shall (without any further action or delivery by any Person) constitute Patent Collateral (and the Grantor shall be deemed to have granted a security interest therein) hereunder as if such provision had never been in effect. The Grantor hereby agrees and acknowledges that the foregoing exclusion shall not in any way be construed to limit, impair or otherwise affect either of (i) the Revolving Collateral Agent’s, for itself and the benefit of the Revolver Secured Parties, unconditional continuing security interests in and liens upon any rights or interests of the Grantor in or to monies due or to become due under any Patent License or any other Proceeds from the sale, license, lease or other disposition of such Patent License, or (ii) the Term Loan Collateral Agent’s, for itself and the benefit of the Term Loan Secured Parties, unconditional continuing security interests in and liens upon any rights or interests of the Grantor in or to monies due or to become due under any Patent License or any other Proceeds from the sale, license, lease or other disposition of such Patent License, and the Grantor agrees that it shall use commercially reasonable efforts prior to entering into any such Patent License to cause the grant of the security interest in favor of each of the Revolving Collateral Agent, for itself and the

benefit of the Revolver Secured Parties, and the Term Loan Collateral Agent, for itself and the benefit of the Term Loan Secured Parties, in such Patent License, as contemplated hereunder, to be permitted thereunder.

2. GRANT OF SECURITY INTEREST IN PATENT COLLATERAL.

(a) To secure the prompt and complete payment, performance and observance of all of the Revolving Obligations, the Grantor hereby grants, assigns, conveys, mortgages, pledges, hypothecates and transfers to the Revolving Collateral Agent, for itself and the benefit of the Revolver Secured Parties, a first priority security interest in the Patent Collateral.

(b) To secure the prompt and complete payment, performance and observance of all of the Term Loan Obligations, the Grantor hereby grants, assigns, conveys, mortgages, pledges, hypothecates and transfers to the Term Loan Collateral Agent, for itself and the benefit of the Term Loan Secured Parties, a second priority security interest in the Patent Collateral.

(c) The foregoing grants of security interests in this Section 2 shall be subject to and interpreted in accordance with the Applicable Order.

3. SECURITY AGREEMENT. The security interests granted pursuant to this Agreement granted in conjunction with the security interests granted to each of the Revolving Collateral Agent, for itself and the benefit of the Revolver Secured Parties, and the Term Loan Collateral Agent, for itself and the benefit of the Term Loan Secured Parties, pursuant to the Security Agreement. The Grantor hereby acknowledges and affirms that the rights and remedies of each of the Revolving Collateral Agent and the Term Loan Collateral Agent with respect to the security interests in the Patent Collateral made and granted hereby are more fully set forth in the Security Agreement, the terms and provisions of which are incorporated by reference hereby as if fully set forth herein.

4. GOVERNING LAW. IN ALL RESPECTS, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS MADE AND PERFORMED IN THAT STATE AND ANY APPLICABLE LAWS OF THE UNITED STATES OF AMERICA (INCLUDING THE BANKRUPTCY CODE). GRANTOR HEREBY CONSENTS AND AGREES THAT THE BANKRUPTCY COURT SHALL HAVE EXCLUSIVE JURISDICTION TO HEAR AND DETERMINE ANY CLAIMS OR DISPUTES BETWEEN GRANTOR, THE REVOLVING COLLATERAL AGENT, THE TERM LOAN COLLATERAL AGENT AND THE SECURED PARTIES PERTAINING TO THIS AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS; PROVIDED, THAT EACH OF THE REVOLVING COLLATERAL AGENT, THE TERM LOAN COLLATERAL AGENT, THE SECURED PARTIES AND GRANTOR ACKNOWLEDGE THAT ANY APPEALS FROM THE BANKRUPTCY COURT MAY HAVE TO BE HEARD BY A COURT OTHER THAN THE BANKRUPTCY COURT; PROVIDED, FURTHER, NOTHING IN THIS AGREEMENT SHALL BE DEEMED OR OPERATE TO PRECLUDE THE REVOLVING COLLATERAL AGENT OR THE TERM LOAN COLLATERAL AGENT FROM BRINGING SUIT OR TAKING OTHER LEGAL ACTION IN ANY OTHER JURISDICTION TO REALIZE ON THE COLLATERAL OR ANY OTHER SECURITY FOR THE OBLIGATIONS, OR TO ENFORCE A JUDGMENT OR OTHER COURT ORDER IN FAVOR OF THE REVOLVING COLLATERAL AGENT OR THE TERM LOAN COLLATERAL AGENT. GRANTOR EXPRESSLY SUBMITS AND CONSENTS IN ADVANCE TO SUCH JURISDICTION IN ANY ACTION OR SUIT COMMENCED IN ANY SUCH COURT, AND GRANTOR HEREBY WAIVES ANY OBJECTION THAT GRANTOR MAY HAVE BASED UPON LACK OF PERSONAL JURISDICTION, IMPROPER VENUE OR FORUM NON CONVENIENS AND HEREBY CONSENTS TO THE GRANTING OF SUCH LEGAL OR EQUITABLE RELIEF AS IS DEEMED APPROPRIATE BY SUCH COURT. GRANTOR HEREBY WAIVES TO THE MAXIMUM EXTENT PERMITTED BY LAW PERSONAL SERVICE OF THE SUMMONS, COMPLAINT AND OTHER PROCESS ISSUED IN ANY SUCH ACTION OR SUIT AND AGREES THAT SERVICE OF SUCH SUMMONS, COMPLAINTS AND OTHER PROCESS MAY BE MADE BY REGISTERED OR CERTIFIED MAIL ADDRESSED TO GRANTOR AT THE ADDRESS SET FORTH IN ANNEX I TO THE CREDIT AGREEMENT AND THAT SERVICE SO MADE SHALL BE DEEMED COMPLETED UPON THE EARLIER OF GRANTOR'S ACTUAL RECEIPT THEREOF OR THREE (3) BUSINESS DAYS AFTER DEPOSIT IN THE UNITED STATES MAILED, PROPER POSTAGE PREPAID AND CERTIFIED MAIL RETURN RECEIPT REQUESTED.

5. APPLICABLE ORDER. Notwithstanding any provision contained in this Agreement, in the event of any conflict between this Agreement and the Applicable Order, the terms and provisions of the Applicable Order shall control and govern.

[Signature page follows]

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

HILEX POLY CO. LLC, a Delaware limited liability company

By: *RM*
Name: RICK MARTIN
Title: SECRETARY

Signature page to Patent Security Agreement

ACKNOWLEDGEMENT OF GRANTOR

STATE OF SC

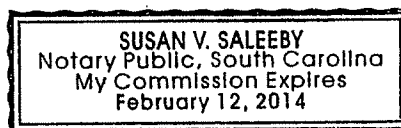
COUNTY OF Darlington

ss.

On this 8th day of May, 2008, before me personally appeared Rick Martin, proved to me on the basis of satisfactory evidence to be the person who executed the foregoing instrument on behalf of Hilex Poly Co. LLC, who being by me duly sworn did depose and say that he is an authorized officer of said company, that the said instrument was signed on behalf of said company as authorized by its Board of Directors) and that he acknowledged said instrument to be the free act and deed of said company.

Susan V. Saleeby
Notary Public

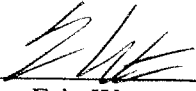
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Signature page to Patent Security Agreement

ACCEPTED AND ACKNOWLEDGED BY:

GENERAL ELECTRIC CAPITAL
CORPORATION, a Delaware corporation, as
Revolving Collateral Agent

By: 
Name: Eric Watson
Title: Duly Authorized Signatory

GENERAL ELECTRIC CAPITAL
CORPORATION, a Delaware corporation, as
Term Loan Collateral Agent

By: 
Name: Eric Watson
Title: Duly Authorized Signatory

Signature page to Patent Security Agreement

SCHEDULE I
to the
PATENT SECURITY AGREEMENT

See attached.

Intellectual Property
PATENTS

Patent Title	Product Type	Application #	File Date	Patent Number	Grant Date	Expiration Date
Easy Opening Bag Pack and Supporting Rack System and Fabricating Method		07/510,730	4/18/1990	4995860	26-Feb-91	January 31, 2010
Thermoplastic Bag	VG	07/623,290	12/6/1990	5074674	24-Dec-91	December 6, 2010
A System For Automatic Consecutive Opening and Dispensing Thermoplastic Grocery or Retail Product Bags		07/688,894	4/22/1991	5125604	30-Jun-92	June 30, 2009
Dispensing Apparatus For Plastic Bags	2923	07/746,3216	8/16/1991	5207368	4-May-93	August 16, 2011
Self-Opening Polyethylene Bag Stack and Process for Producing Same	Corona Treatment-2934	07/859,037	3/27/1992	5335788	9-Aug-94	March 27, 2012
T-Shirt Type Plastic Bag For Carrying Hot Food	3026	08/126,274	9/24/1993	5362152	8-Nov-94	September 24, 2013
Method of Fabricating Packs of Self Opening Plastic Bags		08/237,601	5/2/1994	5421803	6-Jun-95	May 2, 2014
Self-Opening Polyethylene Bag Stack and Process for Producing Same	Design-2934	08/193,386	2/8/1994	5562580	8-Oct-96	October 8, 2013
Easy Dispense T-Shirt Bags	OP	08/130,310	10/1/1993	5626550	6-May-97	May 6, 2014
A Compact Rack Construction For Mounting T-Shirt Type Plastic Bag	3150	08/558,963	11/13/1995	5667173	16-Sep-97	November 13, 2015
Easy Dispense T-Shirt Bags	OP	08/747,366	11/12/1996	5690229	25-Nov-97	November 12, 2016
T-Shirt Type Plastic Bag Pack Adapted To Leave No Residue On A Supporting Rack	3173 HDFF	08/674,893	7/3/1996	5845779	8-Dec-98	July 3, 2016
Plastic Bag Pack Adapted To Leave No Residue On A Supporting Rack	3173 HDFF	09/064,454	4/22/1998	5881882	16-Mar-99	July 3, 2016
Easy Dispense Plastic Bag Dispensing System	OP	08/785,859	1/20/1997	5924573	20-Jul-99	January 20, 2017
Easy opening plastic bag pack of the star-seal type	3389 Quikstar Utility	09/121,804	7/23/1998	5941393	24-Aug-99	July 23, 2018
Easy dispense Plastic Merchandise Bag Dispenser	OP	08/948,769	10/10/1997	5979841	9-Nov-99	October 10, 2017
Dispenser for Merchandise Bags	OP	09/207,013	12/7/1998	6264035	24-Jul-01	December 7, 2018
Ventilated Plastic Bag	3568 HDFF	09/559,951	4/27/2000	6286681	11-Sep-01	April 27, 2020
Bag Storage and Dispensing System	VG	09/688,364	10/12/2000	6401971	11-Jun-02	October 12, 2020
Self-Opening Serially-Arranged Plastic Bag Pack of the Star-Seal Type	3701 HDFF EZ OPEN UTILITY	09/749,057	12/27/2000	6446811	10-Sep-02	December 27, 2020
Nozzle For A Plastic Bag Dispenser	Design-3252-1	29/061,218	10/18/1996	D396636	4-Aug-98	August 4, 2012
Dispensing Apparatus for Plastic Bags	Design Compact I	29/205,362	5/13/2004	D505,036	17-May-05	May 17, 2019
Dispensing Apparatus for Plastic Bags	Design - Compact II	29/234,555	7/20/2005	D547,580	31-Jul-07	July 31, 2021
Rack System	Design-Envirocount	29/266,783	9/28/2006	D552,901	16-Nov-07	
Dispensing Apparatus for Plastic Bags	4238 HDFF - Compact I Utility	10/760,925	1/20/2004		PENDING	
Dispensing Apparatus for Plastic Bags	4238 HDFF - Compact II Utility	11/237,472	9/28/2005		PENDING	
System for Monitoring Flexible Container Usage	Envirocount	11/543,646	10/5/2006		PENDING	
Recessed Dispenser for Plastic Bags	QuikStar Dispenser	11/607,665	12/1/2006		PENDING	

PATENT

RECORDED: 05/09/2008

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