

PATENT ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	ASSIGNMENT
CONVEYING PARTY DATA	
Name	Execution Date
NEXBANK, SSB	05/30/2008
RECEIVING PARTY DATA	
Name:	MARCAL MANUFACTURING, LLC
Street Address:	One Market Street
City:	Elmwood Park
State/Country:	NEW JERSEY
Postal Code:	07407-1401
PROPERTY NUMBERS Total: 5	
Property Type	Number
Patent Number:	6019873
Patent Number:	5888345
Patent Number:	5882480
Patent Number:	5807465
Patent Number:	5728270
CORRESPONDENCE DATA	
Fax Number:	(703)836-2021
Phone:	703-836-6620
Email:	stacey.pflieger@bipc.com
<i>Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent via US Mail.</i>	
Correspondent Name:	Buchanan Ingersoll & Rooney
Address Line 1:	1737 King Street
Address Line 4:	Alexandria, VIRGINIA 22314
ATTORNEY DOCKET NUMBER:	1017500-000000
NAME OF SUBMITTER:	Stacey Pflieger

OP \$200.00 6019873

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Total Attachments: 6

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ASSIGNMENT AND ASSUMPTION AGREEMENT

This Assignment and Assumption Agreement (this "*Assignment*") is made and entered into as of May ²⁰~~2~~, 2008 (the "*Execution Date*"), by and between Marcal Paper Mills, Inc., a New Jersey corporation ("*Assignor*"), and Marcal Paper Mills, LLC, a Delaware limited liability company ("*Paper Mills*").

Assignor and Paper Mills hereby acknowledge that:

A. Assignor is a debtor and debtor in possession in Chapter 11 proceedings before the United States Bankruptcy Court for the District of New Jersey.

B. Assignor and NexBank, SBB, a Texas State savings bank acting solely in its capacity as agent under the Second Lien Loan Agreement ("*Agent*"), entered into that certain Amended and Restated Asset Purchase Agreement dated November 19, 2007, as amended on December 14, 2007 and as of the date hereof (the "*Purchase Agreement*"). Except for terms specifically defined herein, the capitalized terms used in this Assignment shall have the same meanings as capitalized terms used in the Purchase Agreement.

C. Agent has assigned all of its rights, duties and obligations under the Purchase Agreement to Marcal Paper Mills Holding Company, LLC ("*Holding Company*") and Holding Company has designated each of Paper Mills, Marcal Paper Warehouse, LLC, a Delaware limited liability company, Marcal Chicago, LLC, a Delaware limited liability company, and Marcal Manufacturing, LLC, a Delaware limited liability company, as a Purchaser (which shall be referred to individually as a "*Purchaser*" and collectively as the "*Purchasers*" except as set forth in the Purchase Agreement and unless the context otherwise requires) to collectively acquire the Transferred Assets and assume the Assumed Liabilities in accordance with the Purchase Agreement and that certain Assignment of Asset Purchase Agreement, executed contemporaneously herewith, by and between Agent, Holding Company and Purchasers.

D. Concurrently with the mutual execution and delivery of this Assignment, Assignor, Holding Company and Purchasers are consummating the transactions contemplated by the Purchase Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which Assignor and Paper Mills hereby acknowledge, and intending to be legally bound hereby, Assignor and Paper Mills hereby agree as follows:

1. **Assignment of Leases and Contracts.** Assignor hereby sells, assigns and transfers to Paper Mills all of its right, title and interest in and to all Leases and Contracts (including Real Property Leases and Personal Property Leases) described in Section 1.1.5 of the Purchase Agreement and constituting a part of the Transferred Assets, to the extent and only to the extent such Leases and Contracts are not otherwise assigned to Marcal Manufacturing, LLC, Marcal Paper Warehouse, LLC or Marcal Chicago, LLC (collectively, the "*Assigned Contracts*"). To the extent there is any conflict between this Assignment and any other

Assignment executed by Assignor as of the date hereof with respect to the Transferred Assets, including those Transferred Assets included in the Assigned Contracts, Assignor hereby acknowledges that Purchaser may subsequently omit to include or include any such Transferred Assets as a part of or as excluded from the Assigned Contracts hereunder, in its sole and exclusive discretion.

2. **Assumption.** Effective as of the Closing Date, Paper Mills hereby accepts the foregoing assignments and assumes and agrees to be bound by the terms and provisions of the Assigned Contracts and to faithfully perform all of Assignor's obligations thereunder to be performed as though it were the Assignor. Effective as of the Closing Date, Paper Mills also hereby, jointly and severally with the other Purchasers, assumes and agrees to fully and faithfully perform the Assumed Liabilities set forth on Schedule 2.1(iii) of the Purchase Agreement, as updated as of the date hereof.

3. **Binding Effect.** This Assignment shall be binding upon and shall inure to the benefit of, and be binding upon, the successors, executors, administrators, legal representatives and assigns of Assignor and Paper Mills.

4. **Paper Mills' Indemnification.** Paper Mills shall indemnify, defend (with counsel reasonably satisfactory to Assignor) and hold Assignor free and harmless of, from and against any and all liabilities, obligations, claims, demands, actions, causes of action, losses and costs and expenses (including, without limitation, all court costs and reasonable attorneys' fees) as Assignor may suffer or incur by reason of or in connection with Paper Mills' breach or default or asserted or claimed breach or default of any obligation to any counter-party under the Assigned Contracts (or any of them) to be performed thereunder and pursuant to the assumption set forth in Paragraph 2 above, but only to the extent arising from and after the Closing Date and arising out of the express terms of the Assigned Contract.

5. **Attorneys' Fees.** In the event that either party hereto brings an action or other proceeding to enforce or interpret the terms and provisions of this Assignment, the prevailing party in that action or proceeding shall be entitled to have and recover from the non-prevailing party therein all such fees, costs and expenses (including, without limitation, all court costs and reasonable attorneys' fees) as the prevailing party may suffer or incur in the pursuit or defense of such action or proceeding. By closing the transaction contemplated by the Purchase Agreement, Assignor shall be deemed to have agreed to the terms and provisions of this Paragraph 5.

6. **Amendments.** This Assignment may only be amended by a writing signed by both Assignor and Paper Mills.

7. **Counterparts.** This Assignment may be executed in counterparts and delivered by the delivery of facsimile signatures; provided, however, that if the parties exchange facsimile signatures, each of them agrees to provide the other with a copy of this Assignment bearing their original signature as soon thereafter as possible.

8. **Delivery Pursuant to Purchase Agreement.** Notwithstanding anything to the contrary herein, Assignor and Paper Mills are executing and delivering this Assignment in accordance with and subject to all of the terms and provisions of the Purchase Agreement (including, without limitation, the exclusions set forth in Section 1.2 of the Purchase Agreement.

9. **Assistance.** From time to time, as and when requested by Paper Mills, Assignor shall execute and deliver, or cause to be executed and delivered, all such documents and instruments and shall take, or cause to be taken, all such further or other actions, as Paper Mills may reasonably deem necessary or desirable to consummate the transactions contemplated by this Assignment, including, executing and delivering to Paper Mills such assignments, deeds, bills of sale, consents and other instruments as Paper Mills or its counsel may reasonably request as necessary or desirable for such purpose.

10. **Governing Law.** This Assignment shall be governed by and construed, interpreted and enforced in accordance with the laws of the State of New York without regard to its rules of conflict of laws.

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IN WITNESS WHEREOF, Assignor and Assignee have executed this Assignment as of the Execution Date.

Marcal Paper Mills, Inc.

By Lee Bingham
Name: Lee Bingham
Title: Chief Operating Officer

State of [New Jersey])
)ss:
County of Bergen)

On this 21st day of May, 2008, personally appeared Lee Bingham, to me known to be President + Chief Operating Officer of Marcal Paper Mills, Inc., the assignor above named, and acknowledged that he executed the foregoing assignment agreement on behalf of said assignor and pursuant to authority duly received.

Notary Public Signature

Deborah Ann Melamed

DEBORAH ANN MELAMED
A NOTARY PUBLIC OF NEW JERSEY
MY COMMISSION EXPIRES 2/19/2013

Marcal Paper Mills, LLC

By: [Signature]

Name: Shawn Lederman

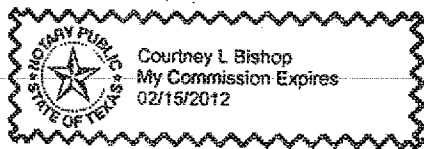
Title: Secretary

State of Texas)

)ss:

County of Dallas)

On this 11th day of May, 2008, personally appeared _____, to me known
to be _____ of Marcal Paper Mills, LLC, the assignee
above named, and acknowledged that he executed the foregoing assignment agreement on behalf
of said assignee and pursuant to authority duly received.



Notary Public Signature

[Signature: Courtney L. Bishop]

[Signature page to Assignment and Assumption for Paper Mills, LLC]

Exhibit A: Assigned Patents

Patent Description	Registration Number	Registration Date
Floor absorbent granular product	6,019,873	2/1/2000
Apparatus for making granular material	5,951,822	3/16/1999
Absorbent granular product	5,888,345	3/30/1999
Process for making granular material	5,882,480	9/15/1998
Granular material containing recycled paper components	5,807,465	9/15/1998
Process for making the absorbent granular material	5,728,270	3/17/1998