

PATENT ASSIGNMENT COVER SHEET

Electronic Version v1.1
 Stylesheet Version v1.2

EPAS ID: PAT2981516

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|---|---|--|-----------------------|
| SUBMISSION TYPE: | NEW ASSIGNMENT | | |
| NATURE OF CONVEYANCE: | SECURITY INTEREST | | |
| CONVEYING PARTY DATA | | | |
| Name | | | Execution Date |
| QCSI, INC. | | | 08/12/2014 |
| RECEIVING PARTY DATA | | | |
| Name: | WILMINGTON TRUST, NATIONAL ASSOCIATION, AS COLLATERAL TRUSTEE | | |
| Street Address: | 50 SOUTH SIXTH STREET | | |
| Internal Address: | SUITE 1290 | | |
| City: | MINNEAPOLIS | | |
| State/Country: | MINNESOTA | | |
| Postal Code: | 55402 | | |
| PROPERTY NUMBERS Total: 1 | | | |
| Property Type | Number | | |
| Patent Number: | 6435108 | | |
| CORRESPONDENCE DATA | | | |
| Fax Number: | (212)751-4864 | | |
| <i>Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent using a fax number, if provided; if that is unsuccessful, it will be sent via US Mail.</i> | | | |
| Phone: | 212-906-1200 | | |
| Email: | angela.amaru@lw.com | | |
| Correspondent Name: | LATHAM & WATKINS LLP C/O ANGELA M. AMARU | | |
| Address Line 1: | 885 THIRD AVENUE | | |
| Address Line 2: | SUITE 1000 | | |
| Address Line 4: | NEW YORK, NEW YORK 10022 | | |
| ATTORNEY DOCKET NUMBER: | 038507-0312 | | |
| NAME OF SUBMITTER: | ANGELA M. AMARU | | |
| SIGNATURE: | /s/ Angela M. Amaru | | |
| DATE SIGNED: | 08/14/2014 | | |
| Total Attachments: 5 | | | |
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PATENT

PATENT SECURITY AGREEMENT

This PATENT SECURITY AGREEMENT (this "Agreement") is made this 12th day of August, 2014, among the Grantors listed on the signature page hereof (individually "Grantor" and collectively "Grantors"), and Wilmington Trust, National Association, in its capacity as a collateral trustee for the Secured Parties (in such capacity, together with its permitted successors and assigns, if any, "Collateral Trustee").

WITNESSETH:

WHEREAS, PaperWorks Industries, Inc., a Delaware corporation (the "Issuer") has issued the Notes pursuant to that certain Indenture, dated as of August 12, 2014 (as amended, supplemented, or otherwise modified from time to time, the "Indenture"), by and among the Issuer, the guarantors party thereto, Collateral Trustee, U.S. Bank National Association, as trustee (in such capacity, and together with its successors in such capacity, the "Trustee");

WHEREAS, the Grantors have entered into that certain Collateral Trust Agreement, dated as August 12, 2014 (as amended, restated, waived, renewed, replaced, restructured, supplemented or otherwise modified from time to time, the "Collateral Trust Agreement"), with Collateral Trustee and the Trustee pursuant to which Collateral Trustee has agreed to act as collateral trustee for the benefit of the Secured Parties in connection with the transactions contemplated by this Agreement and the other Priority Lien Documents;

WHEREAS, it was a condition precedent to the purchase of the Notes under the purchase agreement governing the Notes that the Grantors enter into that certain Pledge and Security Agreement, dated as of August 12, 2014 (including all annexes, exhibits or schedules thereto, as from time to time amended, restated, supplemented or otherwise modified, the "Security Agreement"), by and among the Issuer and each other Grantor party thereto from time to time and Collateral Trustee and grant a continuing security interest in and Lien on the Collateral to Collateral Trustee, for the benefit of the Secured Parties, in order to secure the prompt and complete payment and performance of the Secured Obligations; and

WHEREAS, pursuant to the Security Agreement, Grantor is required to execute and deliver to Collateral Trustee, for the benefit of the Secured Parties, this 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. DEFINED TERMS. All capitalized terms used but not otherwise defined herein have the meanings given to them in the Security Agreement.

2. GRANT OF SECURITY INTEREST IN PATENT COLLATERAL. To secure the prompt and complete payment and performance when due, whether at stated maturity, by required prepayment, declaration, acceleration, demand or otherwise, of the Secured Obligations, Grantor hereby unconditionally grants to Collateral Trustee, for the benefit of the Secured

Parties, a continuing first priority security interest in and Lien on (subject to Permitted Liens) all of Grantor's right, title and interest in, to and under the following, whether presently existing or hereafter created or acquired (other than Excluded Assets) (collectively, the "Patent Collateral"):

- (a) all of its Patents, including those Patents referred to on Schedule I hereto;
- (b) all of its rights to sue for past, present and future infringements and dilutions of its Patents; and
- (c) all products and proceeds of the foregoing, including, without limitation, all income, royalties, damages and payments now and hereafter due and/or payable under and with respect thereto, including, without limitation, payments under all licenses entered into in connection therewith and damages and payments for past or future infringements or dilutions thereof.

3. SECURITY AGREEMENT. The security interests granted pursuant to this Agreement are granted in conjunction with the security interests granted to Collateral Trustee, for the benefit of the Secured Parties, pursuant to the Security Agreement. Grantor hereby acknowledges and affirms that the rights and remedies of Collateral Trustee with respect to the security interest 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 herein as if fully set forth herein.

4. TERMINATION. Upon the Discharge of Priority Lien Obligations, Collateral Trustee shall promptly, at Grantor's expense, execute, acknowledge and deliver to Grantor proper documents and instruments acknowledging the release of the lien and security interest in the Patent Collateral under this Agreement. Upon the sale or disposition of any Patent Collateral, the Security Interest in such Patent Collateral shall be automatically released and terminated to the extent such sale or disposition is permitted under the Priority Lien Documents and, at such time, Collateral Trustee will authorize the filing of appropriate termination statements to terminate such Security Interest.

5. COUNTERPARTS. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all such separate counterparts shall together constitute but one and the same instrument. In proving this Agreement or any other Priority Lien Document in any judicial proceedings, it shall not be necessary to produce or account for more than one such counterpart signed by the party against whom such enforcement is sought. Any signatures delivered by a party by facsimile transmission or by e-mail transmission shall be deemed an original signature hereto.

[signature page follows]

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

THE SPECIALIZED PACKAGING GROUP, INC.,
a Delaware corporation

By: 

Name: Robert J. Nobile

Title: Chief Financial Officer

MANCHESTER INDUSTRIES INC. OF VIRGINIA, a Virginia corporation

By: 

Name: Robert J. Nobile

Title: Chief Financial Officer

QCSI, INC., a Michigan corporation

By: 

Name: Robert J. Nobile

Title: Chief Financial Officer

[Signature Page to Patent Security Agreement]

PATENT
REEL: 033534 FRAME: 0520

ACCEPTED AND ACKNOWLEDGED BY:

**WILMINGTON TRUST, NATIONAL
ASSOCIATION**, as Collateral Trustee

By: _____

Name: Lynn M. Steiner

Title: Vice President

[Signature Page to Patent Security Agreement]

**PATENT
REEL: 033534 FRAME: 0521**

SCHEDULE I
TO
PATENT SECURITY AGREEMENT

| Title | Jurisdiction | Applic. No. | Filing Date | Patent No. | Issue Date | Status | Owner |
|--|---------------------|------------------------|------------------------|-----------------------|-------------------|---------------|--|
| Disposable and reusable spacer rack and method of using same | U.S. | 09/524860 | 3/14/2000 | 6435108 | 10/8/2002 | Issued | QCSI, Inc. |
| Disposable and reusable spacer rack and method of using same | Canada | 2274566 | 6/7/1999 | 2274566 | 3/18/2008 | Issued | Manchester Industries Inc. of Virginia |
| Disposable and reusable spacer rack and method of using same | Canada | 2340891 | 3/14/2001 | 2340891 | 10/30/2007 | Issued | Manchester Industries Inc. of Virginia |
| Container | U.S. | 29/307581 | 4/29/2008 | D586221 | 2/10/2009 | Issued | Specialized Packaging Group, Inc. |