

07-14-2000

6-7-00



For Sample Use

To the Honorable Commissioner of Patents

101402795

Original documents or copy thereof.

1. Name of conveying party(ies):

Capitol Specialty Plastics, Inc.
151 Riverside Drive
Fultonville, NY 12072

- Individual(s)
- General Partnership
- Corporation-State Alabama
- Other
- Association
- Limited Partnership

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

2. Name and address of receiving party(ies):

Name: Wachovia Bank, N.A.

Internal Address:

Street Address: 191 Peachtree Street

City Atlanta State GA ZIP 30303

- Individual(s) citizenship
- Association national banking
- General Partnership
- Limited Partnership
- Corporation-State
- Other

If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No

(Designation must be a separate document from Assignments)
Additional name(s) & address(es) attached? Yes No

3. Nature of conveyance:

- Assignment
- Security Agreement
- Other
- Merger
- Change of Name

Execution Date: April 14, 2000

4. Application number(s) or registration number(s):

A. Trademark Application No.(s)
75/621,964 75/703,973 75/703,996

B. Trademark registration No.(s)

Additional numbers attached? Yes No

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

Name: Pamela A. Allen

Internal Address: King & Spalding

Street Address: 191 Peachtree Street

City Atlanta State GA ZIP 30303

6. Total number of applications and registrations involved: 5

7. Total fee (37 CFR 3.41): \$ 90.00

Enclosed

Authorized to be charged to deposit account

8. Deposit account number:

(Attach duplicate copy of this page if paying by deposit account)

DO NOT USE THIS SPACE

9. Statement and signature.

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

Pamela A. Allen

Name of Person Signing

Signature

4/24/00

Date

Total number of pages comprising cover sheet: 5

OMB No. 0651-0011 (exp. 4/94)

Do not detach this portion

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

07/13/2000 DNGUYEN 00000013 75621964

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

01 FC:481
02 FC:482

40.00 DP
50.00 DP

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**SECOND COLLATERAL ASSIGNMENT AND
TRADEMARK SECURITY AGREEMENT**

THIS SECOND COLLATERAL ASSIGNMENT AND TRADEMARK SECURITY AGREEMENT (this "Agreement"), made as of the 14th day of April, 2000, by the undersigned ("Grantor"), in favor of WACHOVIA BANK, NATIONAL ASSOCIATION, a national bank ("Wachovia"), as collateral agent under that certain Intercreditor Agreement, dated as of December 30, 1998, among Wachovia, not individually but as agent for itself and certain other financial institutions from time to time party to the "Senior Loan Agreement" (as defined in the Security Agreement hereafter referred to (collectively, "Senior Lenders"), Wachovia Capital Associates, a Georgia corporation ("WCA"), BNY Capital Corporation, a New York corporation ("BNY"); WCA and BNY sometimes referred to collectively herein as "Subordinated Lenders"); Senior Lenders and Subordinated Lenders sometimes referred to collectively herein as "Lenders"), Borrower and Wachovia, as collateral agent (as amended or modified from time to time, the "Intercreditor Agreement" (Wachovia, in such capacity as collateral agent, herein called, the "Collateral Agent");

WITNESSETH THAT:

WHEREAS, Grantor owns and uses certain trademarks and trademark applications filed in the United States Patent and Trademark Office, as more fully described on Exhibit "A" attached hereto and by reference made part hereof (hereinafter, together with all rights, benefits and privileges derived therefrom, the goodwill of the business symbolized thereby, all registrations thereof, all reissues, divisions, continuations, renewals and extensions thereof, and all proceeds of the foregoing, called the "Trademark Rights"); and

WHEREAS, as more particularly described in the Intercreditor Agreement, Lenders propose to make certain loans and other financial accommodations to Grantor or upon the security of its guaranty; and

WHEREAS, as a condition precedent (among others) to the extension of such financial accommodations, Lenders have required that Grantor execute and deliver this Agreement in favor of Collateral Agent;

NOW, THEREFORE, in order to induce Lenders to consummate such financial accommodations, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor hereby grants to Collateral Agent a security interest in, and makes to Collateral Agent a collateral assignment of, the entire right, title, and interest of Grantor in and to the Trademark Rights. The Trademark Rights shall serve as collateral security for the payment of all "Secured Obligations", as that term is defined in the Security Agreement dated as of December 30, 1998, made by Grantor (among others) in favor of Collateral Agent (as amended or modified from time to time, the "Security Agreement", capitalized terms used herein and not defined herein shall have the meanings assigned to them in the Security Agreement),

shall constitute a part of the Collateral and shall be subject to all of the terms and conditions of the Security Agreement.

Notwithstanding the foregoing, unless and until Collateral Agent exercises the rights and remedies accorded to it under the Security Agreement and by law with respect to the realization upon its security interest in and collateral assignment of the Trademark Rights, Grantor shall own, and may use and enjoy the Trademark Rights in connection with its business operations, but only in a manner consistent with the preservation of their current substance, validity, registration and the security interest herein granted.

Grantor further agrees (a) that Collateral Agent shall not have any obligation or responsibility to protect or defend the Trademark Rights and Grantor shall at its own expense protect, defend and maintain the same to the extent advisable for its business, (b) that it shall forthwith advise Collateral Agent in writing of infringements of the Trademark Rights detected by it and (c) that if Grantor fails to comply with the requirements of the preceding clause (a), Collateral Agent may do so in Grantor's name or in Collateral Agent's name but at Grantor's expense, and Grantor hereby agrees to reimburse Collateral Agent for all expenses, including attorneys' fees, incurred by Collateral Agent in protecting, defending and maintaining the Trademark Rights owned by Grantor.

The security interest in and collateral assignment of the Trademark Rights granted hereunder shall remain in full force and effect until the termination of the Senior Loan Agreement and the Subordinated Note Agreements and the payment and satisfaction in full of the Secured Obligations. At such time Collateral Agent shall, if requested by Grantor, execute and deliver to Grantor, or to a third party upon Grantor's instructions, for filing with the United States Patent and Trademark Office and in each office in which any financing statement relative to the security interest granted hereby may have been filed, (i) documentation in accordance with the rules and regulations of said office, (ii) termination statements under the Uniform Commercial Code and (iii) any other documentation reasonably requested by Grantor, all as may be necessary to release Collateral Agent's interest in the Trademark Rights, all at the cost and expense of Grantor.

This Agreement is made as a supplement to, and extension of, the Collateral Assignment and Trademark Security Agreement, dated December 30, 1998, heretofore made by Grantor in favor of Collateral Agent.

This Agreement shall inure to the benefit of Collateral Agent and its successors and assigns, and bind Grantor and its successors and assigns.

IN WITNESS WHEREOF, Grantor has caused this Agreement to be executed by its officer thereunto duly authorized, under seal, as of the date first above written.

CAPITOL SPECIALTY PLASTICS, INC. (SEAL)

By: Robert S. Abrams
Robert S. Abrams, President

STATE OF NEW YORK

COUNTY OF Montgomery

On this 14th day of April, 2000, before me appeared Robert S. Abrams, the person who signed the within and foregoing Collateral Assignment and Trademark Security Agreement in his capacity as President the Grantor named therein, who acknowledged that he signed same as a free act for and on behalf of the identified corporation with authority to do so.

Rona C. Batcher
Notary Public

Commission Expiration Date: Jan. 31, 2001
RONA C. BATCHER
Notary Public, State of New York
Residing in Montgomery County
My Commission Expires 01/31/01

[NOTARIAL SEAL]

Exhibit A

The following additional U.S. trademark applications are owned by Capitol Specialty Plastics, Inc.:

<u>Name</u>	<u>U.S. Serial No.</u>	<u>Filed</u>
Activ-Film	75/621,964	January 14, 1998
Capitol Specialty Plastics	75/703,973	May 12, 1999
Capitol Specialty Plastics	75/703,996	May 12, 1999