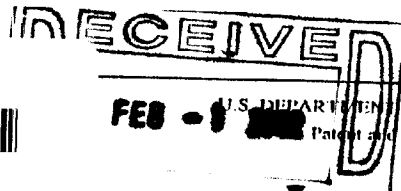


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To the Honorable Commissioner of Patents and Trademarks. Please record the attached original documents or copy thereof.

1. Name of conveying party(ies):  
Paper-Pak Products, Inc.

Individual(s)                       Association  
 General Partnership               Limited Partnership  
 Corporation-State-Delaware  
 Other \_\_\_\_\_

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

2. Name and address of receiving party(ies):  
Name: Paper-Pak Industries  
Internal Address: \_\_\_\_\_  
Street Address: 1941 White Avenue  
City La Verne State CA ZIP 91750

Individual(s) citizenship \_\_\_\_\_  
 Association \_\_\_\_\_  
 General Partnership \_\_\_\_\_  
 Limited Partnership \_\_\_\_\_  
 Corporation-State Nevada  
 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 Assignment)  
Additional name(s) & address(es) attached?  Yes  No

3. Nature of conveyance:  
 Assignment                       Merger  
 Security Agreement               Change of Name  
 Other Trademark License Agreement

Execution Date: October 16, 2001

4. Application number(s) or registration number(s):  
A. Trademark Application No.(s)  
\_\_\_\_\_

Additional numbers attached?  Yes  No

B. Trademark registration No.(s)  
1,800,754  
1,673,361  
1,262,894

5. Name and address of party to whom correspondence concerning document should be mailed:  
Name: Henry M. Bissell  
Internal Address: \_\_\_\_\_  
\_\_\_\_\_

Street Address: 6820 La Tijera Blvd.  
Suite 106

City: Los Angeles State: CA ZIP 90045

6. Total number of applications and registrations involved: 3

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.

Henry M. Bissell

Name of Person Signing

Signature

1/9/02

Date

Total number of pages comprising cover sheet: 11

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

Do not detach this portion

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

02/19/2002 LNWELLER 00000111 1800754

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

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02 Fb:482

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50.00 OP

Public burden reporting for this sample cover sheet is estimated to average about 30 minutes per document to be recorded, including time for reviewing the document and gathering the data needed, and completing and reviewing the sample cover sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Office of Information Systems, PK2-1000C, Washington, D.C. 20231, and to the Office of Management and Budget, Paperwork Reduction Project, (0651-0011), Washington, D.C. 20503

## TRADEMARK LICENSE AGREEMENT

THIS TRADEMARK LICENSE AGREEMENT (the "Agreement") is made as of this 16<sup>th</sup> day of October, 2001 (the "Effective Date"), between PAPER-PAK PRODUCTS, INC. ("Licensor"), a Delaware corporation, and PAPER-PAK INDUSTRIES ("Licensee"), a Nevada corporation.

### Background

Licensor owns the trademarks and registrations thereof set forth on Exhibit A hereto (the "Marks"). Licensor and Licensee have entered into an Asset Purchase Agreement (the "Asset Purchase Agreement") for Licensee's purchase of Licensor's meat, poultry, and fish packaging business. Licensor wishes to license the Marks to Licensee for use in the meat, poultry, and fish packaging business in accordance with the terms of this Agreement.

### Terms

NOW THEREFORE, in consideration of the mutual covenants and agreements contained in this Agreement and the Asset Purchase Agreement, the parties, intending to be legally bound, hereby agree as follows:

1. Definitions.

(a) "Promotional Materials" shall mean all of Licensee's advertising, promotional, packaging, labeling and wrapping materials for the Licensed Goods.

(b) "Licensed Goods" shall mean absorbent pads and display case liners for use with meat, fish, and poultry products. "Licensed Goods" shall not include any other goods, including without limitation disposable hospital and home care supplies, obstetrical pads, underpads for incontinent bed patients, bedside tissues, or absorbent facial tissues.

(b) The "Territory" shall mean, with respect to each Mark, the jurisdiction(s) in which such Mark is registered as set forth on Exhibit A hereto.

2. Grant of License.

(a) Licensor hereby grants to Licensee, for the duration of the term of this Agreement, an exclusive, royalty-free license to use the Marks in the Territory solely (i) in connection with the manufacturing, packaging, marketing, distribution and sale of the Licensed Goods and the Promotional Materials, and (ii) as part of the trade name and corporate name "Paper-Pak Industries" for Licensee's meat, poultry, and fish packaging business. This license shall be strictly limited according to the terms and conditions in this Agreement.

(b) During the term of this Agreement, Licensee shall use the Marks only in connection with the Licensed Goods as specified herein and not in connection with any other service or product.

(c) Subject to Licensor's prior written approval, Licensee shall have the right to develop and use (i) new composite marks incorporating any of the Marks, and (ii) new logotypes, designs and trade dress for the Marks and any such composite Marks, all of the foregoing to be referred to collectively as the "New Marks." Licensee shall submit to Licensor each New Mark that Licensee develops, and Licensor shall notify Licensee of Licensor's approval or rejection of each New Mark within a reasonable period of time. Each New Mark that is developed pursuant to this Subsection 1(c) shall be owned by Licensor as of the date of its adoption by Licensee and, if registered, registered in Licensor's name, and shall be automatically considered a "Mark" under this Agreement for all purposes. Exhibit A of this Agreement shall be revised from time to time to list the New Marks.

(c) Nothing in this Agreement shall prohibit Licensor from expanding its own use of the Marks to goods other than the Licensed Goods.

### 3. Quality Control.

(a) Licensee shall only use the Marks on or in connection with Licensed Goods that are of a general level of quality that meets or exceeds the quality of the Licensed Goods with which the Marks were used by Licensor immediately prior to the Effective Date. All Promotional Materials shall be in good taste and of a quality not less than the quality of Promotional Materials used by the Licensor prior to the Effective Date.

(b) Licensee shall: (i) upon five (5) business days' prior written notice, and during regular business hours, permit Licensor access to any facilities at which the Licensed Goods are manufactured, packaged, sold or distributed, for the purpose of assuring that the foregoing quality control standards are maintained; and (ii) submit to Licensor at Licensor's request, a reasonable number of representative samples of Licensed Goods and Promotional Materials. In the event that Licensor determines that Licensee has failed to abide by its quality control obligations under this Section 3 and as otherwise provided in this Agreement, Licensee shall on written notice from Licensor promptly take action to remedy such failure in a manner reasonably acceptable to Licensor.

(c) Licensee acknowledges that the purpose of the quality control standards prescribed by Licensor in this Agreement is to maintain the reputation and the goodwill of the Marks. Licensor shall not bear or assume any responsibility or liability to purchasers or other third parties as a result of setting or enforcing such standards or for any failure of the Licensed Goods to conform to such standards.

4. Ownership of the Marks.

(a) Licensee acknowledges that the ownership of all right, title and interest in the Marks is and remains solely vested in Licensor. Licensee disclaims any right to or interest in the goodwill derived from the Marks and agrees that all of its use of the Marks shall inure to the exclusive benefit of Licensor for all purposes. Licensee (i) shall take no action that would prejudice or interfere with the validity or Licensor's ownership of the Marks; (ii) shall not seek cancellation or partial cancellation of any of Licensor's registrations of the Marks, and (iii) shall not enter into any agreement with any third party that in any way alters, diminishes or restricts the rights of Licensor in the Marks or places any restrictions or conditions upon the use or appearance of the Marks.

(b) Licensee shall not prosecute any application for registration of the Marks or any variant thereof in any jurisdiction. Licensee shall fully cooperate and cause its sublicensees fully to cooperate with Licensor's efforts in applying for registration of the Marks, in maintaining and defending the validity and ownership of the Marks and any registrations of the Marks, and in protecting the Marks against infringement, dilution or other violation, provided, however, that Licensor shall bear the cost of such activities.

(c) To the extent permitted under applicable law, Licensor shall apply to renew the registrations of the Marks set forth on Exhibit A at such times as renewal applications are due.

5. Infringement

(a) If Licensor or Licensee becomes aware of (i) any actual or threatened third-party infringement or dilution of any of the Marks with respect to the Licensed Goods in the Territory, or (ii) any actual or threatened claim that Licensee's use of the Marks infringes or otherwise violates the rights of a third party, it shall promptly notify the other party to this Agreement in writing.

(b) Licensor shall have the right to prosecute or defend any action involving rights under the Marks. Licensee shall join as a party in any such suit upon Licensor's request, and shall reasonably cooperate at the request of Licensor in the prosecution or defense of any such suit, provided that Licensor shall reimburse Licensee for Licensor's reasonable expenses. Licensee may elect to participate in any such suit at its own expense by counsel of its own choosing. Licensor shall retain all amounts recovered, whether by judgment, award, settlement or otherwise, in any suit commenced by Licensor. Notwithstanding the foregoing, at Licensor's option, Licensee shall defend any action relating to the use of the Marks in the meat, poultry, and fish packaging business or the registration of the Marks for goods related to the meat, poultry, and fish packaging business, and Licensee shall bear all costs and expenses of such defense.

(c) If, within thirty (30) days after a request by Licensee, Licensor fails to prosecute any suit or take other action involving rights under the Marks for the Licensed

Goods in the Territory, Licensee may, at its own expense, bring suit in its own name. At the request of Licensee, Licensor shall reasonably cooperate in the prosecution of any such suit, provided that Licensee will reimburse Licensor for Licensor's reasonable expenses. Licensee shall retain all amounts recovered, whether by judgment, award, settlement or otherwise, in any suit commenced by Licensee. Licensee shall not agree to any settlement terms that would impact Licensor's rights under the Licensed Marks or that would require payment by Licensor, unless Licensor grants its prior written consent.

6. Termination.

(a) The term of this Agreement shall commence on the Effective Date and endure until termination by Licensor as provided in this Section 6.

(b) Licensor shall have the right to terminate this Agreement, effective immediately, in the event of:

(i) Licensee's breach of any obligation under this Agreement that continues for a period of thirty (30) days after written notice from Licensor specifying the nature of the breach;

(ii) Licensee's admission of insolvency, or the institution of voluntary or involuntary proceedings in bankruptcy or other insolvency proceedings by or against Licensee, or an application being made for receivership with respect to Licensee which, in the case of any such action being taken against Licensee involuntarily, is not dismissed within ninety (90) days of the date of such action;

(iii) Licensee's assignment for the benefit of creditors; or

(iv) Licensee's assignment or attempted assignment of this Agreement, or of any right or interest herein, except as explicitly permitted this Agreement.

(c) Upon termination of this Agreement for any reason, all rights of Licensee to use the Marks shall immediately thereafter cease, except that Licensee shall have the right to continue to sell its inventory of Licensed Goods bearing the Marks as of the date of termination. Without limitation of the foregoing, upon termination of this Agreement for any reason, Licensee shall immediately cease using the Mark PAPER-PAK as part of its corporate name and trade name.

7. Representations and Warranties.

(a) Licensor represents and warrants that (a) to its knowledge, it possesses the full power and exclusive right to grant the license of the Marks to Licensee hereunder, and (b) the execution, delivery and performance of this Agreement by Licensor does not violate any agreement, instrument, judgment, order or award of any court or arbitrator or any law, rule or regulation to which Licensor is a party or by which Licensor is bound.

(b) EXCEPT AS SET FORTH IN SECTION 7(A), LICENSOR MAKES NO REPRESENTATIONS OR WARRANTIES WITH RESPECT TO THE MARKS, AND EXPRESSLY DISCLAIMS ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO WHETHER LICENSEE'S USE OF ANY MARKS WILL INFRINGE OR DILUTE THE PROPRIETARY RIGHTS OF ANY THIRD PARTY. LICENSOR SHALL HAVE NO OBLIGATION TO INDEMNIFY, DEFEND, OR HOLD LICENSEE HARMLESS WITH RESPECT TO LICENSEE'S USE OF THE MARKS. IN NO EVENT SHALL LICENSOR BE LIABLE TO LICENSEE FOR INDIRECT, SPECIAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES UNDER THIS AGREEMENT.

8. Indemnification. Licensee shall defend, indemnify, and hold Licensor harmless from any loss, liability, damage, cost or expense (including reasonable attorneys' fees and costs) based on or arising out of any act or omission of Licensee in the operation of its business, including without limitation (i) any act or omission of Licensee in connection with its performance under this Agreement; (ii) the design, manufacture, storage, shipment, transport, delivery, advertising, promotion, sale, or warranty of any Licensed Goods or the content, appearance, or use of any Promotional Materials; (iii) any actual or alleged failure of any of the Licensed Goods to comply with any law, statute, ordinance, administrative order, rule, or regulation in force following the Effective Date; and (iii) Licensee's use of the Marks. Licensee shall undertake and conduct the defense of any suit so brought at its sole expense.

9. Assignment; Sublicensing.

(a) Licensee may not, without prior written consent of Licensor, sublicense, assign or transfer to any third party all or any part of its rights or duties under this Agreement. Notwithstanding the foregoing:

(i) Licensor shall not unreasonably withhold its consent to Licensee's assignment of Licensee's rights and duties under this Agreement to a successor to substantially all of Licensee's business, provided that Licensor may in its sole discretion refuse consent to any assignment to a party engaged in the business of manufacturing or selling absorbency products used in the medical or adult incontinence business field; and

(ii) Licensee shall have the right to grant sublicenses, without obtaining the consent of Licensor, to any wholly-owned subsidiary of Licensee.

(b) Licensor may freely assign or otherwise transfer all of its rights and obligations under this Agreement.

10. Miscellaneous.

(a) Any notice or consent required to be given under this Agreement shall be in writing and shall be deemed given if personally delivered, sent by facsimile transmission with confirmation of receipt, sent by overnight courier, or sent by first class mail to the parties at the following addresses:

**If to Licensor:**

**Paper-Pak Products, Inc.  
545 Terrace Drive  
San Dimas, CA 91773  
Attention: Chief Executive Officer  
Telecopy: (909) 971-5666**

with a copy to:

**Locke Liddell & Sapp LLP  
2200 Ross Avenue  
Suite 2200  
Dallas, Texas 75201  
Attention: Gina E. Betts, Esq.  
Telecopy: (214) 740-8929**

**If to a Licensee:**

**Paper-Pak Industries  
1941 White Avenue  
La Verne, CA 91750  
Attention: Chief Executive Officer  
Telecopy: (909) 392-1726**

or to such other addresses as each party may designate in writing from time to time.

(b) This Agreement (i) constitutes the entire agreement between the parties with respect to the subject matter contained herein, and supersedes any prior agreements, understandings, representations or negotiations, whether written or oral, by or between the parties with respect to such subject matter, (ii) will bind and inure to the benefit of the successors, assigns, subsidiaries, affiliates and licensees of each party, (iii) may be amended or modified only by the parties' mutual written consent, (iv) may be enforced by any equitable remedy, including injunction, without limiting the right of a party to proceed at law for such relief as may be available, (v) may be executed in one or more counterparts, each of which shall be deemed to be an original, and all of which together shall constitute the entire agreement, (vi) shall be construed in accordance with the laws of the State of California.

(c) In the event of a breach by Licensee of the terms of this Agreement, Licensor shall be entitled to all of its remedies at law and in equity. Licensee acknowledges that a breach of this Agreement will cause irreparable damage to Licensor, the exact amount of which will be difficult or impossible to ascertain, and that Licensor's remedies at law for any such breach will be inadequate. Accordingly, Licensee acknowledges that upon a

**breach of this Agreement, Licensor shall be entitled to injunctive or other equitable relief, without posting bond or other security.**

**[Signatures commence on the following page]**



IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date and year first above written.

PAPER-PAK PRODUCTS, INC.

By: Michael J. Brown  
Name: Michael J. Brown  
Title: Chief Executive Officer

PAPER-PAK INDUSTRIES

By: \_\_\_\_\_  
Name:  
Title:

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date and year first above written.

PAPER-PAK PRODUCTS, INC.

By: \_\_\_\_\_  
Name:  
Title:

PAPER-PAK INDUSTRIES

By: Richard J. Ben  
Name: RICHARD J. BEN  
Title: PRESIDENT

EXHIBIT A

<u>Trademark</u>	<u>Country</u>	<u>Application/Reg. No.</u>
Supersorb	United States	Reg. No. 1,800,754
Paper-Pak	United States	Reg. No. 1,673,361
Paper-Pak	Brazil	Reg. No. 817214798
Paper-Pak	Brazil	Reg. No. 817214801
P (design)	United States	Reg. No. 1,262,894
P (design)	Brazil	Reg. No. 817214810
P (design)	Brazil	Reg. No. 817214828