FORM PTO-1618A Expires 06/30/99 OMB 0651-0027

02-14-2000



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U.S. Department of Commerce Patent and Trademark Office **TRADEMARK**

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Submission Type	Conveyance Type			
XX New	Assignment License			
Resubmission (Non-Recordation) Document ID #	XX Security Agreement Nunc Pro Tunc Assignment			
Correction of PTO Error	Merger Effective Date Month Day Year			
Reel # Frame #	Change of Name			
Corrective Document				
Reel # Frame #	Other			
Conveying Party X	Mark if additional names of conveying parties attached Execution Date Month Day Year			
Name Schurman Fine Papers	01 18 2000			
Formerly				
	Limited Parks while W. Ormandia.			
Individual General Partnership	Limited Partnership X Corporation Association			
Other				
X Citizenship/State of Incorporation/Organizat	ion California			
Receiving Party	Mark if additional names of receiving parties attached			
Name General Electric Capital C	Corporation, as Agent			
DBA/AKA/TA				
Composed of				
Address (line 1) 6130 Stoneridge Mall Road				
Address (line 2) Suite 200				
Address (line 3) Pleasanton	CA 94588			
Individual General Partnership	State/Country Zip Code Limited Partnership If document to be recorded is an			
assignment and the receiving party is not domiciled in the United States, an appointment of a domestic				
Other	representative should be attached. (Designation must be a separate document from Assignment.)			
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Mail documents to be recorded with required cover sheet(s) information to:

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TRADEMARK

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Patent and	Trademark Office
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OMB 0651-0027	TRACINAN
Domestic R	epresentative Name and Address Enter for the first Receiving Party only.
Name [
Address (line 1)	
Address (line 2)	
Address (line 3)	
Address (line 4)	
Correspond	lent Name and Address Area Code and Telephone Number 415/398-4700
Name	Murphy Sheneman Julian & Rogers
Address (line 1)	Attention: D. Elaine Howard, Legal Assistant
Address (line 2)	101 California Street
Address (line 3)	39th Floor
Address (line 4)	San Francisco, CA 94111
Pages	Enter the total number of pages of the attached conveyance document including any attachments.
Tradomark	
	Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for the same property).
Irac	lemark Application Number(s) Registration Number(s)
L	
Number of I	Properties Enter the total number of properties involved. # 11
Fee Amoun	Fee Amount for Properties Listed (37 CFR 3.41): \$ 290 90
Method o Deposit A	f Payment: Enclosed Deposit Account
	ayment by deposit account or if additional fees can be charged to the account.) Deposit Account Number: # 20-0052
	Authorization to charge additional fees: Yes No
Statement a	nd Signature
To the attack indication of the contraction of the	he best of my knowledge and belief, the foregoing information is true and correct and any hed copy is a true copy of the original document. Charges to deposit account are authorized, as ated herein.
	Howard, Legal Assistant Monolly Clune Howard February 3, 2000
Namo	or Person Signing / Signatura - Data Cignad

FORM PTO-1618C Expires 06/30/99 OMB 0651-0027 RECORDATION FORM	TION	U.S. Department of Commerce Patent and Trademark Office TRADEMARK			
Conveying Party Enter Additional Conveying Party Mark if additional names of conveying parties attached Execution Date Month Day Year					
Name Papyrus Franchise Conforation		01 18 2000			
Formerly					
Individual General Partnership Limited	Partnership X Corporation	Association			
Other					
X Citizenship State of Incorporation/Organization	California				
Receiving Party Enter Additional Receiving Party Mark if a	dditional names of receiving parties attach	ed			
Name					
DBA/AKA/TA					
Composed of					
Address (line 1)					
Address (line 2)					
Address (line 3)					
City State/Country Zip Code Individual General Partnership Limited Partnership If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative should be attached (Designation must be a separate					
Other	documen	t from the Assignment.)			
Citizenship/State of Incorporation/Organization	ion Number(s)				
Trademark Application Number(s) or Registration Enter either the Trademark Application Number or the Registration N		additional numbers attached for the same property).			
Trademark Application Number(s)	Registration Nu	ımber(s)			
75642167	1159571 1942921	1972557			
	1955097 2060014	2112408			
	1178636 1514145	1873810			

PATENT, TRADEMARK AND COPYRIGHT SECURITY AGREEMENT

THIS PATENT, TRADEMARK AND COPYRIGHT SECURITY AGREEMENT ("Agreement"), dated as of January 18, 2000, is made by SCHURMAN FINE PAPERS, a California corporation ("Borrower"), and PAPYRUS FRANCHISE CORPORATION, a California corporation and a wholly owned subsidiary of Borrower ("Papyrus") (Borrower and Papyrus being referred to collectively as "Grantors" and each individually as "Grantor"), in favor of GENERAL ELECTRIC CAPITAL CORPORATION, a New York corporation, as agent (in such capacity, "Agent"), on behalf of the "Lenders", as such term is defined in the Credit Agreement identified below, with respect to the following facts.

RECITALS

- A. Borrower, Agent, and Lenders are parties to that certain Credit Agreement of even date herewith (as the same from time to time may be amended, supplemented or otherwise modified, the "Credit Agreement"), pursuant to which Lenders have agreed, among other things, to make the Revolving Loans to and to incur the obligations with respect to the Letters of Credit on behalf of Borrower upon the terms and conditions set forth therein.
- B. Pursuant to the Credit Agreement, Borrower has further agreed, among other things, to grant to Agent, for the ratable benefit of Lenders, a Lien upon all of Borrower's right, title and interest in, to and under all real and personal property of Borrower to secure the prompt and complete payment, performance and observance of all of the Obligations, as defined in the Credit Agreement.
- C. Pursuant to that certain Continuing Guaranty of even date herewith, executed by Papyrus in favor of Agent for the benefit of Lenders (as the same may be amended, restated, supplemented, or otherwise modified from time to time, "Papyrus Guaranty"), Papyrus has guaranteed prompt payment and performance of the Obligations (as defined in the Credit Agreement).
- D. Pursuant to the Credit Agreement and the Papyrus Guaranty, each Grantor is required to execute and deliver this Agreement to Agent for the ratable benefit of Lenders.

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, each Grantor hereby agrees as follows:

1. <u>Definitions</u>. All capitalized terms used but not otherwise defined herein shall have the respective meanings assigned to them in or pursuant to the Credit Agreement.

IP SECURITY AGREEMENT - SCHURMAN.

- 2. <u>Grant of Security Interest in Intellectual Property Collateral</u>. Each grantor hereby grants to Agent, for the ratable benefit of Lenders, a continuing first priority security interest in all of each Grantor's right, title and interest in, to and under the following, whether presently existing or hereafter created or acquired (collectively, the "<u>Intellectual Property Collateral</u>"):
- (a) all of its patents and all patent licenses to which each Grantor is a party, including those referred to in **Part A** to **Schedule I** hereto;
- (b) all of its trademarks and all trademark licenses to which each Grantor is a party, including those referred to in **Part B** to **Schedule I** hereto;
- (c) all of its copyrights and all copyright licenses to which each Grantor is a party, including those referred to in **Part C** to **Schedule I** hereto;
- (d) all goodwill, trade secrets, proprietary or confidential information, technical information, procedures, formulae, quality control standards, designs, operating and training manuals, customer lists, distribution agreements and general intangibles with respect to the forgoing; and
- (e) all proceeds of the forgoing, including (i) any and all proceeds of any insurance, indemnity, warranty or guaranty payable to any Person from time to time with respect to any of the forgoing, (ii) any and all payments (in any form whatsoever) made or due and payable to any Person from time to time in connection with any requisition, confiscation, condemnation, seizure or forfeiture of all or any part of the forgoing by any Governmental Authority (or any Person acting under color of governmental authority), (iii) any claim of any Person against third parties (A) for past, present or future infringement of any patent or patent license, or (B) for past, present or future infringement or dilution of any copyright, copyright license, trademark or trademark license, or (C) for injury to the goodwill associated with any license, patent, trademark or copyright, (iv) any recoveries by any Person against third parties with respect to any litigation or dispute concerning any of the Collateral, and (v) any and all other amounts from time to time paid or payable under or in connection with any of the forgoing, upon disposition or otherwise.
- 3. <u>Security Interest</u>. The security interests granted hereby are granted in conjunction with the Obligations incurred by each Grantor, and the security interests granted to Agent, for the ratable benefit of Lenders, pursuant to the Credit Agreement. Each grantor hereby acknowledges and affirms that the rights and remedies of Agent with respect to the security interests in the Intellectual Property Collateral made and granted hereby are more fully set forth in the Credit Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein.

IP SECURITY AGREEMENT - SCHURMAN.

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IN WITNESS WHEREOF, the parties have executed this Patent, Trademark and Copyright Security Agreement as of the date first set forth above.

"Grantors"

SCHURMAN FINE PAPERS

Dominique Schurman

President and Chief Executive Officer

PAPYRUS FRANCHISE CORPORATION

Dominique Schurman

President and Chief Executive Officer

"Agent"

GENERAL ELECTRIC CAPITAL CORPORATION

Mark Mascia

Duly Authorized Signatory

SCHEDULE 1 (PART A)

PATENTS AND PATENT LICENSES

None as of the Closing Date

IP SECURITY AGREEMENT - SCHURMAN.

SCHEDULE 1 (PART B)

TRADEMARKS AND TRADEMARK LICENSES

Trademarks Owned By Grantor Prior To and On the Closing Date

A. Federal Trademarks

<u>Trademark</u>	Registration No.	Application No.	Registration Date	Renewal Date
PAPYRUS	1,159,571	73/240,229	06/30/81	06/30/01
FLEUR DE LYS LOGO	1,942,921	74/630,586	12/19/95	12/19/05
THE ART OF SOCIAL EXPRESSION	1,972,557	74/630,587	05/07/96	05/07/06
MARCEL SCHURMAN	1,955,097	74/657,211	02/06/96	05/06/06
GIFT EXPRESSIONS	2,060,014	75/006,035	05/06/97	05/06/07
LAFFS BY MARCEL (Stylized)	2,112,408	75/212,956	11/11/97	11/11/07
FOR A CARD THAT'S A GIFT	1,178,636	73/253,848	11/17/81	11/17/01
LOGO DESIGN	1,514,145	73/717,328	11/22/88	11/22/08
PAPYRUS - FOR A CARD THAT'S A GIFT Plus Logo Design	1,514,144	73/717,327	11/22/88	11/22/08
DOMINIQUE DESIGNS	1,873,810	74/445,745	01/17/95	01/17/05
PAPYRUS And Design	n/a	75/642,167	n/a	

IP SECURITY AGREEMENT – SCHURMAN.

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B. State (California) Trademarks

Trademark	Registration No.	Application No.	Registration <u>Date</u>	Renewal Date
PAPYRUS	8,976	n/a	12/03/79	12/03/5)9
FOR A CARD THAT'S A GIFT	9,456	n/a	03/19/80	03/19/00
LOGO DESIGN	32,596	n/a	04/29/88	04/29/08
PAPYRUS FOR A CARD THAT'S A GIFT Plus Logo Design	32,591	n/a	04/29/88	04/29/08
DOMINIQUE DESIGNS	98,492	n/a	12/23/93	12/23/03

C. Foreign Trademarks

<u>Trademark</u>	Country	Registration	Application	Registratio	<u>n</u>
		<u>No.</u>	<u>No.</u>	<u>Date</u>	Renewal Date
MARCEL					
SCHURMAN					
THE ART OF SOCIAL					
EXPRESSION					
Plus Fleur De					
Lys Design Logo	Hong Kong, China	05308	94/14545	12/06/94	12/06/01
, , ,	<i>S S</i> ,				
PAPYRUS-					
FOR A CARD					
THAT'S A GIFT					
Plus Logo Design	Hong Kong, China	B02887	94/13728	11/21/94	11/21/01
1 143 LOGO Design	frong Rong, Clina	D02007	77/13/40	11/41/74	11/21/01

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SCHEDULE 1 (PART C)

COPYRIGHTS AND COPYRIGHT LICENSES

None as of the Closing Date

IP SECURITY AGREEMENT - SCHURMAN.

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RECORDED: 02/07/2000

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