

RECORDATION FORM COVER
TRADEMARKS ONLY

06-29-1998

Patent
and Trademark
Office



100749104

To the Honorable Commissioner of Patents and Trademarks: Please record the at

1. Name of conveying party(ies):
ACRYX INDUSTRIES INC
 Individual(s) Association
 General Partnership Limited Partnership
 Corporation-State CANADA
 Other _____
Additional name(s) of conveying party(ies) attached? Yes No

2. Nature of conveyance:
 Assignment Merger
 Security Agreement Change of Name
 Other _____
Execution Date: APRIL 3, 1998

2. Name and address of receiving party(ies)
Name: MAAX INC.
Internal Address: _____
Street Address: 600 CAMERON
(QUEBEC)
City: STE-MARIE State: CANADA ZIP: G6E 1B2
 Individual(s) citizenship _____
 Association _____
 General Partnership _____
 Limited Partnership _____
 Corporation-State QUEBEC-CANADA
 Other _____
If assignee is not domiciled in the United States, a domestic representative designator is attached: Yes No
(Designations must be a separate document from assignment)
Additional name(s) & address(es) attached? Yes No

3. Application number(s) or patent number(s):
A. Trademark Application No.(s):
75/420,972
Additional numbers attached? Yes No

B. Trademark Registration No.(s)

5. Name and address of party to whom correspondence concerning document should be mailed:
Name: HOWARD N. ARONSON
Internal Address: _____
Street Address: LACKENBACH SIEGEL MARZULLO
ARONSON & GREENSPAN, P.C.
ONE CHASE ROAD
City: SCARSDALE State: NY ZIP: 10583

6. Total number of applications and registrations involved: 1
7. Total fee (37 CFR 3.41).....\$ 40.00
 Enclosed
 Authorized to be charged to deposit account
Please charge any additional fees due, or credit any over payment to:
8. Deposit account number:
10-0100
(Attach duplicate copy of this page if paying by deposit account)

06/26/1998 ENCLOSED 00000025 75420972
01 FC:481 40.00 (IP)
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.
HOWARD N. ARONSON
Name of Person Signing
[Signature]
Signature
6-16-98
Date
Total number of pages including cover sheet, attachments, and document: 17

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

<u>Trademark Registration No.</u>	<u>Trademark Serial No.</u>
1,190,312	75/420,972
655,498	
2,033,434	
2,039,952	
1,433,739	

Hon. Commissioner of Patents and Trademarks
Washington, D.C. 20231

DOMESTIC REPRESENTATIVE

LACKENBACH SIEGEL MARZULLO ARONSON & GREENSPAN, P.C.
One Chase Road, Scarsdale, New York 10583 U.S.A.

is hereby designated registrant's/applicant's domestic representative upon whom notices or process
in proceedings affecting the mark(s) may be served.

Kindly conduct all correspondence with LACKENBACH SIEGEL MARZULLO ARONSON
& GREENSPAN, P.C. at their above address.

MAAX INC.

By: 

Name: RICHARD GARNEAU

Title: EXECUTIVE VICE PRESIDENT

Date: MAY 14, 1998

ref: DomesticRep

Schedule A to Security Agreement - Patents and Trademarks

LIST OF PATENTS AND PATENT APPLICATIONS

PATENTS

Owner	Title	Reg. No.	Reg. Date
Acryx Industries, Inc.	Jet water diffuser	Patent design	Pending
KSD Industries, Inc.	Bathroom cabinet	D 313,719	Jan. 15, 1991
KSD Industries, Inc.	Track and panel guide for sliding shower doors or the like	4,392,272	Jul. 12, 1983
KSD Industries, Inc.	Tri-view bathroom cabinet	D 353,068	Dec. 6, 1994
Pearl Baths, Inc.	Dynamically balanced suction relief for hydrotherapy tubs and spas	4,602,391	Jul. 29, 1986
Pearl Baths, Inc.	Infant cushion unit	D 343,756	Feb. 1, 1994
Pearl Baths, Inc.	Whirlpool bathtub	D 349,561	Aug. 9, 1994
Pearl Baths, Inc.	Whirlpool bathtub	D 349,560	Aug. 9, 1994
Pearl Baths, Inc.	Whirlpool bathtub	D 339,413	Sept. 14, 1993
Pearl Baths, Inc.	Whirlpool bathtub	D 338,710	Aug. 24, 1993
Pearl Baths, Inc.	Whirlpool bathtub	D 338,259	Aug. 10, 1993
Pearl Baths, Inc.	Whirlpool bathtub	D 300,661	Apr. 11, 1993
Pearl Baths, Inc.	Whirlpool tub	D 377,518	Jan. 21, 1997
Pearl Baths, Inc.	Whirlpool tub	D 377,082	Dec. 31, 1996

Schedule B to Security Agreement - Patents and Trademarks

LIST OF TRADEMARKS AND TRADEMARK APPLICATIONS

TRADEMARKS

Owner	Trademark	Reg. No.	Reg. Date
Acryx Industries, Inc.	Lifestyle spas	75/420 972	Pending
Bremen Glas, Inc.	Bremen glas & design	1,190,312	Feb. 16, 1982 (supplemental register)
KSD Industries, Inc.	Conceal-all	0,655,498	Dec. 10, 1957
Pearl Baths, Inc.	Design only	2,033,434	Jan. 28, 1997
Pearl Baths, Inc.	Pearl & design	2,039,952	Feb. 25 1997
Pearl Baths, Inc.	Pearl Baths & design	1,433,739	March 24, 1987

SECURITY AGREEMENT - PATENTS AND TRADEMARKS

SECURITY AGREEMENT dated as of April 3, 1998 among PEARL BATHS, INC., a Minnesota corporation ("Pearl Baths"), BREMEN GLAS, INC., an Indiana corporation ("Bremen Glas"), MAAX-KSD CORPORATION, a Pennsylvania corporation ("Maax-KSD"), ACRYX INDUSTRIES INC. ("Acryx") (Pearl Baths, Bremen Glas, Maax-KSD and Acryx herein collectively called the "Obligors" and each an "Obligor") and MAAX INC., a Quebec corporation (the "Secured Party").

RECITALS

A. Each Obligor has heretofore entered into a Credit Facility Agreement dated March 23, 1998 (each such Credit Facility Agreement, as it may be amended, restated, supplemented or otherwise modified from time to time, a "Credit Facility Agreement" and all such agreements, collectively, the "Credit Facility Agreements") with the Secured Party, pursuant to which the Secured Party has agreed to extend credit to such Obligor from time to time, subject to the terms and conditions set forth therein.

B. The execution and delivery of this Security Agreement and the grant by each Obligor to the Secured Party of a security interest in all of such Obligor's right, title and interest in and to the Collateral specified herein constitute conditions precedent to the extension of any credit by the Secured Party to such Obligor under the relevant Credit Facility Agreement.

ACCORDINGLY, in consideration of the premises, and in order to induce the Secured Party to extend credit to the Obligors and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and as collateral security for the full and prompt payment and performance of all Obligations, as hereinafter defined, each Obligor hereby mortgages, pledges and assigns to the Secured Party, and hereby grants to the Secured Party a security interest in, all of such Obligor's right, title and interest in and to (i) each of the Trademarks (as hereinafter defined), and the goodwill of the business symbolized by each of the Trademarks; (ii) all customer lists and other records of such Obligor relating to the distribution of products bearing or including any Trademark; (iii) each of the Patents (as hereinafter defined); and (iv) any and all receivables and other proceeds of the foregoing, including, without limitation, any claims by such Obligor against third parties for infringement of any Trademark or Patent (collectively, the "Collateral").

1. Defined Terms. As used herein, the terms defined in the preamble or the recitals hereto have the respective meanings specified therein and in addition the following terms have the following meanings:

"Advance" with respect to each Obligor, an "Advance", as defined in the Credit Facility Agreement to which such Obligor is a party.

"Collateral" has the meaning specified in the paragraph immediately preceding Section 1 hereof.

"Event of Default" means any failure on the part of any Obligor to observe or perform any of its obligations under the Credit Facility Agreement to which it is a party or any related instrument or agreement, and any other event which constitutes an event of default under the Credit Facility Agreement to which it is a party or any related instrument or agreement, taking into account any applicable notice or grace period.

"Obligations" means any and all indebtedness and other liabilities and obligations of any Obligor hereunder or under any Primary Document including, without limitation, (i) the obligation to repay the Advances made under the Credit Facility Agreement to which such Obligor is a party in full when due, (ii) the obligation to pay interest on such Advances at the rates and on the dates specified therein, (iii) the obligation to pay any fees payable thereunder in full when due at the rates and on the dates specified therein, (iv) the obligation to indemnify the Secured Party as provided herein or in any Primary Document, (v) the obligation to pay costs and expenses as provided herein or in any other Primary Document, and (vi) the obligation to pay all other amounts specified herein or in any other Primary Document.

"Patents" means (i) all patents and patent applications and the inventions and improvements described and claimed therein, and all patentable inventions, now owned or hereafter acquired or obtained by any Obligor, including without limitation the patents listed on Schedule A annexed hereto and made a part hereof, (ii) all registrations and recordings thereof, whether in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof or any other country or any political subdivision thereof, or otherwise, (iii) all reissues, divisions, continuations, renewals, extensions and continuations-in-part of any of the foregoing, (iv) all income, royalties, damages or payments now and hereafter due and/or payable under or with respect to any of the foregoing, including, without limitation, damages or payments for past or future infringements of any of the foregoing, (v) the right to sue for past, present and future infringements of any of the foregoing throughout the world, and (vi) all rights and obligations pursuant to any license agreements with respect thereto, whether the relevant Obligor is a licensor or licensee under any such license agreements, including, without limitation, the licenses listed on Schedule A annexed hereto and made a part hereof, and, subject to the terms of such licenses, the right to prepare for sale, sell and advertise for sale, all inventory now or hereafter owned by such Obligor and now or hereafter covered by such licenses.

"Primary Documents" means the Credit Facility Agreements and all other instruments, agreements and other documents related hereto or thereto or executed in connection herewith or therewith, collectively; and **"Primary Document"** means each of the foregoing documents.

"Senior Lienholder" means General Trust of Canada, a corporation constituted pursuant to the Act respecting trust companies and savings companies (Quebec) and part I of the Quebec Companies Act, in its capacity as secured party under the Senior Security Agreement and as holder of power of attorney for the Bond Holders under the terms of the Deed (as such terms are defined in the Senior Security Agreement).

"Senior Security Agreement" means the Security Agreement - Patents and Trademarks of even date herewith, among the Obligors and Maax Inc., as Obligors, and General Trust of Canada, as Secured Party, as it may be amended, restated, supplemented or otherwise modified from time to time.

"Trademarks" means (i) all trademarks, trade names, trade styles, and service marks of any Obligor, whether now owned or hereafter acquired or created, including without limitation all trademarks described on Schedule B annexed hereto and made a part hereof, all prints and labels on which said trademarks, trade names, trade styles and service marks have appeared or appear, all designs and general intangibles of like nature, now existing or hereafter adopted or acquired, all right, title and interest therein and thereto, and all applications, registrations and recordings thereof, including, without limitation, applications, registrations and recordings in the United States Patent and Trademark Office or any similar office or agency of the United States, any State thereof, or any other country or any political subdivision thereof, (ii) all reissues, extensions or renewals thereof, (iii) all income, royalties, damages and payments now and hereafter due and/or payable with respect thereto, including, without limitation, damages and payments for past, present or future infringements thereof, (iv) the right to sue for past, present and future infringements thereof and (v) all rights and obligations pursuant to any license agreements with respect thereto, whether such Obligor is a licensor or licensee under any such license agreements, including, without limitation, the licenses listed on Schedule A annexed hereto and made a part hereof, and, subject to the terms of such licenses, the right to prepare for sale, sell and advertise for sale, all inventory now or hereafter owned by any Obligor and now or hereafter covered by such licenses.

2. Representations, Warranties and Covenants. Each Obligor hereby represents, warrants, covenants and agrees as follows:

(a) Such Obligor has the sole, full and clear title to the Trademarks and Patents listed as owned by it in the Schedules hereto in the United States for the goods and services covered by the registrations thereof and such registrations are valid and subsisting and in full force and effect.

(b) Such Obligor will perform all acts and execute all documents, including, without limitation, assignments for security in forms suitable for a filing with the United States Trademark Office, reasonably requested by the Secured Party at any time to evidence, perfect, maintain, record and enforce the Secured Party's interests in the Collateral or otherwise in furtherance of the provisions of this Agreement, and such Obligor hereby authorizes the Secured Party to execute and file one or more financing statements (and similar documents) or copies thereof or of this Security Agreement with respect to the Collateral signed only by the Secured Party.

(c) Except to the extent that the Secured Party, upon prior written notice from such Obligor, shall consent, such Obligor (either itself or through licensees) will, consistent with

sound business judgment, continue to use its Trademarks on each and every trademark class of goods applicable to its current line as reflected in its current catalogs, brochures and price lists in order to maintain its Trademarks in full force free from any claim of abandonment for nonuse and such Obligor will not (and will not permit any licensee thereof to) do any act or knowingly omit to do any act whereby any Trademark may become invalidated.

(d) Such Obligor will promptly reimburse the Secured Party for any and all reasonable sums, costs, and expenses which the Secured Party may pay or incur pursuant to the provisions of this Agreement or in enforcing the Obligations or protecting the Collateral or the security interests granted hereunder, including, but not limited to, all filing or recording fees, governmental fees, court costs, collection charges, travel, and reasonable attorneys' fees, all of which shall be part of the Obligations and be payable on demand.

(e) Such Obligor has the right and power to make the assignments and to grant the security interests herein granted; and the Collateral is not now, and at all times hereafter will not be, subject to any liens, mortgages, assignments, security interests or encumbrances of any nature whatsoever, except liens granted pursuant to the Senior Security Agreement, and to the best knowledge of such Obligor none of the Collateral is subject to any claim.

(f) Except to the extent that the Secured Party, upon prior written request from such Obligor, shall consent in writing (which consent, in the case of a request for permission to grant a non-exclusive license, shall not be unreasonably withheld), such Obligor shall not assign, sell, mortgage, lease, transfer, pledge, hypothecate, grant a security interest in or lien upon, encumber, grant an exclusive or non-exclusive license or otherwise dispose of any of the Collateral, and nothing in this Agreement shall be deemed a consent by the Secured Party to any such action except as expressly permitted herein.

(g) Such Obligor will take all necessary steps, consistent with sound business judgment, in any proceeding before the United States Patent and Trademark Office or any similar office or agency in any other country or any political subdivision thereof, to maintain each application and registration of the Trademarks and Patents, including, without limitation, filing of renewals, affidavits of use, affidavits of incontestability and opposition, interference and cancellation proceedings (except to the extent that dedication, abandonment or invalidation is permitted under paragraph 2(c) hereof).

(h) Such Obligor assumes all responsibility and liability arising from the use of the Trademarks or Patents, and such Obligor hereby indemnifies and hold the Secured Party harmless from and against any claim, suit, loss, damage or expense (including reasonable attorneys' fees) arising out of any alleged defect in any product manufactured, promoted or sold by such Obligor (or any affiliate or subsidiary thereof) in connection with, or which bears or includes, any Trademark or Patent or out of the manufacture, promotion, labeling, sale or advertisement of any such product by such Obligor (or any affiliate or subsidiary thereof). Such Obligor agrees that the Secured Party does not assume, and shall have no responsibility for, the

payment of any sums due or to become due under any agreement or contract included in the Collateral or the performance of any obligations to be performed under or with respect to any such agreement or contract by such Obligor, and such Obligor hereby agrees to indemnify and hold the Secured Party harmless with respect to any and all claims by any person relating thereto.

(i) The Secured Party may, in its sole discretion, but shall have no obligation to, pay any reasonable amount or do any act required of such Obligor hereunder or deemed necessary or appropriate by the Secured Party to preserve, defend, protect, maintain, record or enforce such Obligor's obligations contained herein, the Obligations, the Collateral, or the rights, title and interests granted to the Secured Party herein, and which such Obligor fails to do or pay (after notice, if required, and the expiration of any applicable grace period), and any such payment shall be deemed an advance by the Secured Party to such Obligor, shall constitute part of the Obligations, and shall be payable on demand together with interest at the highest rate then payable on the Obligations.

(j) Such Obligor agrees that if it, or any affiliate or subsidiary thereof, learns of any use by any person of any term or design likely to cause confusion with any Trademark, it shall promptly notify the Secured Party of such use and, if requested by the Secured Party, shall join with the Secured Party, at such Obligor's expense, in such action as the Secured Party, in its reasonable discretion, may deem advisable for the protection of the Secured Party's interests in and to the Trademarks.

(k) All licenses of its Trademarks or Patents which such Obligor has granted to third parties are set forth in Schedules A and B hereto, respectively.

(l) To the best knowledge of such Obligor, the Trademarks and Patents are subsisting, have not been adjudged invalid or unenforceable in whole or in part, and are not currently being challenged in any way.

(m) None of the Trademarks or Patents have lapsed or expired or have been abandoned or canceled, whether due to any failure to pay any maintenance or other fees or make any filing or otherwise.

(n) Each of the Trademarks and Patents is valid and enforceable and such Obligor is not aware of any impairments to the Trademarks or Patents which would have a material effect on the validity and/or enforceability thereof.

(o) To such Obligor's knowledge, no claim has been made that the use of any of the Trademarks or Patents constitutes an infringement.

(p) Such Obligor will continue to use, consistent with past practice, proper statutory notice in connection with its use of the Trademarks.

(q) Such Obligor will use standards of quality in its manufacture of products sold under the Trademarks consistent with those currently employed by it.

(r) Such Obligor shall not adopt or use any mark which is confusingly similar or a colorable imitation of any Trademark unless it shall have granted to the Secured Party a perfected security interest in such mark pursuant to this Security Agreement.

(s) Such Obligor shall promptly notify the Secured Party of any infringement of any Trademark or Patent of which it becomes aware and shall take, consistent with sound business judgment, such actions as the Secured Party may reasonably require to protect such Trademark or Patent including, where appropriate, the bringing of suit for infringement, seeking injunctive relief and seeking to recover any and all damages for such infringement.

3. Continuing Liability under the Collateral. Each Obligor hereby expressly agrees that, anything herein to the contrary notwithstanding, it shall remain liable under each license, interest and obligation pledged by it to the Secured Party hereunder to observe and perform all the conditions and obligations to be observed and performed by it thereunder, all in accordance with and pursuant to the terms and provisions thereof. The Secured Party shall have no obligation or liability under any such license, interest or obligation by reason of or arising out of this Security Agreement or the receipt by the Secured Party of any payment relating to any such license, interest or obligation pursuant hereto nor shall the Secured Party be required or obligated in any manner to perform or fulfill any of the obligations of any Obligor thereunder or pursuant thereto, to make any payment, to make any inquiry as to the nature or the sufficiency of any performance by any party under any such license, interest or obligation, to present or file any claim or to take any action to collect or enforce any performance or the payment of any amounts that may have been granted to the Secured Party or to which the Secured Party may be entitled at any time or times.

4. Remedies. Upon the occurrence and during the continuation of an Event of Default, in addition to all other rights and remedies of the Secured Party, whether contractual, at law, in equity or otherwise, all such rights and remedies being cumulative, not exclusive, and enforceable alternatively, successively or concurrently, without (except as provided herein) notice to, or consent by, any Obligor, the Secured Party shall have the following rights and remedies: (a) the Secured Party may at any time, upon written notice to an Obligor, prohibit such Obligor from making any further use of the Trademarks or any mark similar thereto or the Patents for any purpose; (b) the Secured Party may, at any time and from time to time, upon 10 days' prior notice to an Obligor, license, whether general, special or otherwise, and whether on an exclusive or nonexclusive basis, any of the Trademarks or Patents of such Obligor, throughout the world for such term or terms, on such conditions, and in such manner, as the Secured Party shall in its sole discretion determine; (c) the Secured Party may, at any time and from time to time, upon 10 days' prior notice to an Obligor, assign, sell, or otherwise dispose of, the Collateral owned by such Obligor or any of it, either with or without special or other conditions or stipulations, with power to buy the Collateral or any part of it, and with power also to execute assurances, and do all other

acts and things for completing the assignment, sale or disposition which the Secured Party shall, in its sole discretion, deem appropriate or proper; and (d) in addition to the foregoing, in order to implement the assignment, sale or other disposition of any of the Collateral pursuant to subparagraph 4(c) hereof, the Secured Party may, at any time, pursuant to the authority granted in the Special Power of Attorney described in paragraph 5 hereof (such authority becoming effective on the occurrence and remaining effective during the continuation as hereinabove provided of an Event of Default), execute and deliver on behalf of any Obligor, one or more instruments of assignment of some or all of the Collateral, in form suitable for filing, recording or registration in any country. The Obligors hereby jointly and severally agree to pay when due all reasonable costs incurred in any such transfer of the Collateral or any portion thereof, including any taxes, fees and reasonable attorney's fees, and all such costs shall be added to the Obligations. The Secured Party may apply the proceeds actually received from any such license, assignment, sale or other disposition to the reasonable costs and expenses thereof, including, without limitation, reasonable attorneys' fees and all legal, travel and other expenses which may be incurred by the Secured Party, and then to the Obligations, in such order as to principal or interest as the Secured Party may desire; and each Obligor shall remain liable and will pay the Secured Party on demand any deficiency remaining with respect to the Obligations then owed by it, together with interest thereon at a rate equal to the highest rate then payable on the Obligations, and the balance of any expenses unpaid. In the event that there should be any excess proceeds over the Obligations, the Secured Party shall pay such excess to the Obligors or to such other person as may be required by law or by court order. Nothing herein contained shall be construed as requiring the Secured Party to take any such action at any time. In the event of any such license, assignment, sale or other disposition of the Collateral, or any of it, after the occurrence or continuation as hereinabove provided of an Event of Default, the Obligors shall supply their respective customer lists and other records relating to its Trademarks and Patents or to the distribution of products bearing or including any of the Trademarks or Patents to the Secured Party or its designee.

5. Power of Attorney. Concurrently with the execution and delivery hereof, the Obligors will execute and deliver to the Secured Party a Special Power of Attorney substantially in the form of Exhibit I hereto for the implementation of the assignment, sale or other disposition of the Collateral or any portion thereof pursuant to paragraphs 4(c), 4(d) and 7 hereof and for the other purposes specified in such Power of Attorney, and each Obligor hereby releases the Secured Party from any claims, causes of action and demands at any time arising out of or with respect to any actions taken or omitted to be taken by the Secured Party under the power of attorney granted herein or therein, other than actions taken or omitted to be taken through the gross negligence or willful misconduct of the Secured Party.

6. Access to Media. For the purpose of enabling the Secured Party to exercise rights and remedies hereunder, each Obligor hereby grants to the Secured Party access upon the occurrence and during the continuance of an Event of Default to all media in which any Collateral may be recorded or stored and to all computer equipment and software programs used for the compilation or printout thereof to the extent that such Obligor may lawfully do so, and hereby

authorizes any and all custodians thereof to release such media to the Secured Party or in accordance with the Secured Party's instructions upon receipt of a letter executed by the Secured Party stating that an Event of Default has occurred and is continuing.

7. Grant of License to Use Trademarks and Patents. For the purpose of enabling the Secured Party to exercise its rights and remedies under this Agreement at such time as the Secured Party, without regard to this Section 7, shall be lawfully entitled to exercise such rights and remedies and for no other purpose, each Obligor hereby grants to the Secured Party, effective upon the occurrence of an Event of Default and notice by the Secured Party that it desires to exercise such rights and remedies, an irrevocable, exclusive license, exercisable without payment of royalty or other compensation to such Obligor, to use, assign, license or sublicense any of the Collateral, including in such license reasonable access to all media in which any of the licensed items may be recorded or stored and to all computer programs used for the compilation or printout thereof. The rights and remedies of the Secured Party under this paragraph 7 shall be in addition to and not in substitution for the rights and remedies of the Secured Party under paragraph 4 hereof or any other rights or remedies of the Secured Party hereunder or as provided by law. All rights and remedies of the Secured Party under this Agreement are cumulative and not exclusive of each other or of any right or remedy provided by law.

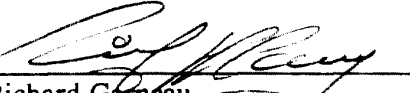
8. Miscellaneous. No provision hereof may be modified, altered or limited except by a written instrument expressly referring to this Agreement and executed by all the parties hereto. No course of dealing between any Obligor and the Secured Party, nor any failure to exercise, nor any delay in exercising, on the part of the Secured Party, any right, power or privilege hereunder or under any other agreement or document shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The execution and delivery of this Security Agreement has been duly authorized by the respective Boards of Directors of the Obligors and by any necessary vote or consent of stockholders thereof. This Security Agreement shall be binding upon the respective successors and assigns of the Obligors and shall, together with the rights and remedies of the Secured Party hereunder, inure to the benefit of the Secured Party and its successors and assigns. **THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER AND IN AND TO THE COLLATERAL SHALL BE GOVERNED IN ALL RESPECTS BY THE LAWS OF THE UNITED STATES OF AMERICA AND THE LAWS OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO ITS CONFLICT OF LAWS RULES, OTHER THAN SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW. EACH OBLIGOR HEREBY SUBMITS TO THE NONEXCLUSIVE JURISDICTION OF THE SUPREME COURT OF THE STATE OF NEW YORK AND THE FEDERAL COURTS OF THE UNITED STATES OF AMERICA LOCATED IN SUCH STATE IN ANY ACTION OR PROCEEDING ARISING UNDER THIS AGREEMENT. EACH PARTY HERETO HEREBY WAIVES ANY RIGHT TO TRIAL BY JURY IN CONNECTION WITH ANY DISPUTE HEREUNDER.** If any term of this Agreement shall be held to be invalid, illegal or unenforceable, the validity of all other terms hereof shall in no way be affected thereby.

9. Subordination and Assignment of Liens. The liens and security interests of the Secured Party in the Collateral described herein shall be prior and superior to any liens and security interests of the Senior Lienholder therein, and the Secured Party hereby expressly subordinates any liens and security interests it may hold from time to time in the Collateral to the Senior Lienholder's liens and security interests therein. The priorities specified herein are applicable irrespective of the time or order of attachment or perfection of the respective liens and security interests of the Secured Party and the Senior Lienholder or the time or order of execution, filing or recording of this Security Agreement or the Senior Security Agreement or the giving, or the failure to give, notice of any lien or security interest. The Secured Party will not exercise or enforce any of its rights or remedies hereunder without the prior written consent of the Senior Lienholder and any such exercise or enforcement without such consent shall be null and void. The Secured Party hereby assigns its rights and interests hereunder to the Senior Lienholder as security for the Secured Party's Obligations (as such term is defined in the Senior Security Agreement) and each Obligor hereby acknowledges such assignment and consents thereto.

IN WITNESS WHEREOF, the Obligors and the Secured Party have caused this Agreement to be executed by their duly authorized officers as of the date first above written.


Obligors:

PEARL BATHS, INC.
BREMEN GLAS, INC.
MAAX-KSD CORPORATION
ACRYX INDUSTRIES INC.

By: 
Richard Garneau
Vice President

Secured Party:

MAAX INC.

By: 
Richard Garneau
Vice President