

10-16-2001



SHEET

TO: The Commissioner of Patent

Submission Type

- New
- Resubmission (Non-Recordation)  
Document ID#
- Correction of PTO Error  
Reel #  Frame #
- Corrective Document  
Reel #  Frame #

101874636 Conveyance Type

- Assignment
- Security Agreement
- License
- Nunc Pro Tunc Assignment
- Merger
- Change of Name
- Other

Effective Date  
Month Day Year  
09 07 01

Conveying Party(ies)

Mark if additional names of conveying parties attached

Name CISA, Inc.

Execution Date  
Month Day Year  
09 07 01

Formerly

- Individual
- General Partnership
- Limited Partnership
- Corporation
- Association
- Other
- Citizenship/State of Incorporation/Organization

Receiving Party

Mark if additional names of conveying parties attached

Name TRANSAMERICA BUSINESS CAPITAL CORPORATION

DBA/AKA/TA

Composed of

Address (line 1) 555 Theodore Fremd Avenue

Address (line 2)

Address (line 3)

City State/Country Zip Code

- Individual
- General Partnership
- Limited Partnership
- Corporation
- Association
- Other
- Citizenship/State of Incorporation/Organization

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 is attached. (Designation must be a separate document from Assignment)

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10/16/2001 DBYRNE 00000181 1607400

1 FC:481 40.00 DP  
2 FC:482 25.00 DP

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Mail documents to be recorded with required cover sheet(s) information to:  
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TRADEMARK

REEL: 002383 FRAME: 0375

**Domestic Representative Name and Address**

Enter for the first Receiving Party only.

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

**Correspondent Name and Address**

Area Code and Telephone Number

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

**Pages**

Enter the total number of pages of the attached conveyance document including any attachments.

#

**Trademark Application Number(s) or Registration Number(s)**

Mark if additional numbers attached

Enter either the Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for the same property).

Trademark Application Number(s)  
SEE SCHEDULE A ANNEXED

<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>

Registration Number(s)  
SEE SCHEDULE A ANNEXED

<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>

**Number of Properties**

Enter the total number of properties involved.

**Fee Amount**

Fee Amount for Properties Listed (37 CFR 3.41): \$

Method of Payment: Enclosed  Deposit Account

Deposit Account  
(Enter for payment by deposit account or if additional fees can be charged to the account)

Deposit Account Number: #

Authorization to charge additional fees: Yes  No

**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. Charges to deposit account are authorized, as indicated herein.

PRESTON R. CAPPELLO

10/15/01

Name of Person Signing

Signature

Date

**CISA, Inc.**

<u>Trademark</u>	<u>Registration Number</u>	<u>Registration Date</u>
SAVEX	1,607,400	7/24/90

<u>Trademark Application</u>	<u>Application/Serial Number</u>	<u>Application Date</u>
WC INC. & DESIGN	75/585,245	11/9/98; APPROVED FOR PUBLICATION 7/14/01

## INTELLECTUAL PROPERTY SECURITY AGREEMENT

THIS INTELLECTUAL PROPERTY SECURITY AGREEMENT, made and entered into as of September 7, 2001 (this "Agreement"), by Briggs Plumbing Products, Inc., a Michigan corporation (the "Borrower"), New Briggs Holdings, Inc., a Delaware corporation ("Holdings"), CISA, Inc., a Delaware corporation ("CISA"), and Briggs Industries, Inc., a Delaware corporation ("Industries" and, together with Borrower, Holdings and CISA, collectively, the "Obligors"), in favor of Transamerica Business Capital Corporation (the "Lender").

### W I T N E S S E T H :

**WHEREAS**, the Obligors and the Lender are entering into a certain Loan and Security Agreement dated as of even date herewith (as amended, supplemented or otherwise modified from time to time, the "Loan Agreement"; capitalized terms which are used herein and not otherwise defined shall have the meanings given to them in the Loan Agreement); and

**WHEREAS**, it is a condition precedent to the effectiveness of the Loan Agreement that the Obligors shall have executed and delivered this Agreement.

**NOW, THEREFORE**, in consideration of the premises hereof and to induce the Lender to enter into the Loan Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

### AGREEMENT

#### SECTION 1. Security for Obligations.

(a) Security Interest in Patents. To secure the full and prompt payment and performance when due (whether at stated maturity, by acceleration or otherwise) of all of the Obligations, each Obligor hereby grants and conveys to the Lender, a valid security interest in all of its right, title and interest in the United States and throughout the world in, to and under all of the now owned and hereafter acquired United States and foreign patents and all patent and design patent applications, and all issues, reissues, re-examinations, continuations, continuations-in-part or divisions thereof, and all proceeds thereof (hereinafter collectively referred to as the "Patents"). All unexpired patents and all currently pending patent applications in which each Obligor has an interest are listed on Schedule A opposite such Obligor's name. Each Obligor hereby further grants, assigns and conveys to the Lender, a valid security interest, having priority over all other security interests in all of the right, title and interest of such Obligor in and to all proceeds, income, royalties, damages and payments now or hereafter due and payable under or in

respect of all Patents and in and to all rights during the term of this Agreement to sue, collect and retain damages and payments for past or future infringements of the Patents.

(b) Security Interest in Trademarks. To secure the full and prompt payment and performance when due (whether at stated maturity, by acceleration or otherwise) of all of the Obligations, each Obligor hereby grants and conveys to the Lender, a valid security interest in all of its right, title and interest in the United States and throughout the world in, to and under all of its now owned and hereafter acquired trademarks, service marks and trade names, and all similar designations of source or origin (whether or not such name is the subject of a registration or an application therefor), and all registrations and applications to register the same, and all renewals thereof, and the goodwill of the business relating thereto, and all proceeds thereof (hereinafter collectively referred to as the "Trademarks"). All trademark registrations and all currently pending trademark applications in which each Obligor has an interest and all foreign trademark registrations and all currently pending trademark applications in which each Obligor has an interest are listed on Schedule B opposite such Obligor's name. Each Obligor hereby further grants to the Lender, a valid security interest in all of its right, title and interest in and to (i) all proceeds, income, royalties, damages and payments now and hereafter due and payable under or in respect of all Trademarks, (ii) all rights during the term of this Agreement to sue, collect and retain for the Lender's benefit damages and payments for past or future infringements of the Trademarks and (iii) all rights under or interest in any trademark license agreements or service mark license agreements with any other party, whether any Obligor is a licensee or licensor under any such license agreement, except such license agreements for which consent is required from a third party to grant such security interest and which has not been obtained, copies of which license agreements will be furnished by the Obligors to the Lender upon the Lender's reasonable request.

(c) Security Interest in Copyrights. To secure the full and prompt payment and performance when due (whether at stated maturity, by acceleration or otherwise) of all of the Obligations, each Obligor hereby grants to the Lender, a valid security interest in all of its right, title and interest in the United States and throughout the world in, to and under all of its now owned and hereafter acquired copyrights, and all registrations and applications to register the same, all renewals thereof, any written agreement, naming any Obligor as licensor or licensee, granting any right under any copyright any work which is or may be subject to copyright protection pursuant to Title 17 of the U.S. Code, and all physical things embodying such works (including, without limitation, copies thereof) created or otherwise used in the business of any Obligor, and all proceeds thereof (hereinafter collectively referred to as the "Copyrights"). All copyright registrations and all currently pending copyright applications in which each Obligor has an interest are listed on Schedule C opposite such Obligor's name. Each Obligor hereby further grants to the Lender, a valid security interest in all of its right, title and interest in and to all proceeds, income, royalties, damages and payments now and hereafter due and payable under or in respect of all Copyrights and in and to all rights during the term of this Agreement to sue, collect and retain for the Lender's benefit damages and payments for past or future infringements of the Copyrights.

(d) Security Interest in Proprietary Information. To secure the full and prompt payment and performance when due (whether at stated maturity, by acceleration or otherwise) of all of the Obligations, each Obligor hereby grants to the Lender, a valid security interest in all of its right, title and interest in the United States and throughout the world in, to and under all of its now owned and hereafter acquired inventions, discoveries, trade secrets, improvements, processes, methods, formulae, applications, ideas, know-how, customer lists, corporate and other business records, license rights, advertising materials, operating manuals, sales literature, drawings, specifications, descriptions, name plates, catalogues, dealer contracts, supplier contracts, distributor agreements, confidential information, consulting agreements, engineering contracts, proprietary information, and goodwill (and all other assets which uniquely reflect such goodwill), and to all income, royalties, damages and payments now and hereafter due and/or payable therefor or in respect thereof and all proceeds thereof (collectively, the "Proprietary Information" and, together with the Patents, the Trademarks, the Copyrights and all other assets described above, the "Intellectual Property Collateral").

(e) Certain Exclusions from Grant of Security Interests. Anything in this Agreement to the contrary notwithstanding, the foregoing grant, assignment, transfer, and conveyance of security interests shall not extend to, and the term "Copyrights" shall not include, any item of Copyrights described in Section 2(c) above that is now or hereafter held by any Obligor as licensee or otherwise, solely in the event and to the extent that: (i) as the proximate result of the foregoing grant, assignment, transfer, or conveyance of security interests, any Obligor's rights in or with respect to such item of Copyrights would be forfeited or would become void, voidable, terminable, or revocable, or if any Obligor would be deemed to have breached, violated, or defaulted the underlying license or other agreement that governs such item of Copyrights pursuant to the restrictions in the underlying license or other agreement that governs such item of Copyrights; (ii) any such restriction shall be effective and enforceable under applicable law, including the Uniform Commercial Code (the "UCC"); and (iii) any such forfeiture, voidness, voidability, terminability, revocability, breach, violation, or default cannot be remedied or prevented by any Obligor using its reasonable efforts (but without any obligation to make any material expenditures of money or to commence legal proceedings); provided, however, that the foregoing grant, assignment, transfer, and conveyance of security interests shall extend to, and the term "Copyrights" shall include, (y) any and all proceeds of such item of Copyrights and (z) upon any such licensor or other applicable party's consent with respect to any such otherwise excluded item of Copyrights being obtained, thereafter such item of Copyrights as well as any proceeds thereof that might theretofore have been excluded from such grant, assignment, transfer, and conveyance of security interests and the term "Copyrights."

## SECTION 2. Representations, Warranties and Covenants of the Obligors.

(a) Each Obligor is and will continue to be the owner of all of the Intellectual Property Collateral, free from any adverse claim, security interest, lien or encumbrance in favor of any Person except for the security interest granted under the Loan Documents, except as set forth on Schedule D attached hereto and made a part hereof, except for Liens, licenses and other

dispositions permitted by the Loan Agreement and except as otherwise expressly permitted pursuant to this Section 2.

(b) None of the Intellectual Property Collateral is or shall become subject to any lien, security interest or other encumbrance in favor of any Person other than the Lender, except as set forth on Schedule D attached hereto and made a part hereof and except for any Liens, licenses and other dispositions permitted by the Loan Agreement, and each Obligor agrees not to license, transfer, convey or encumber any interest in or to its Intellectual Property Collateral except as permitted by the Loan Agreement. Notwithstanding the foregoing, each Obligor shall be permitted to license (on a non-exclusive basis) any of its Trademarks in the ordinary course of business to (i) third parties for the sole purpose of manufacturing, marketing, advertising, distributing or selling goods or (ii) third parties that do not manufacture, market, advertise, distribute, or sell goods in the United States or to others for sale in the United States. Any license of the Intellectual Property Collateral granted after the Closing Date by any Obligor (each, a "License") shall be in writing and shall not prohibit any Obligor from assigning, transferring, selling, sublicensing or otherwise disposing of all or any of its right, title and interest thereunder to the Lender or its designees in accordance with Section 4 hereof.

(c) Except for Liens, licenses and other dispositions permitted by the Loan Agreement and except as disclosed in Schedule D hereto, no Obligor has made any previous assignment, transfer or agreement in conflict herewith or constituting a present or future assignment, transfer, or encumbrance of any of its Intellectual Property Collateral.

(d) Except as disclosed in Schedule D hereto, there is no financing statement or other document or instrument now signed or on file in any public office granting a security interest in or otherwise encumbering any part of the Intellectual Property Collateral, except those showing the Lender as secured party, except for Liens, licenses and other dispositions permitted by the Loan Agreement. So long as any Obligations or Letters of Credit remain outstanding or the Lender has any obligation to make Loans to the Borrower, no Obligor will execute, and there will not be on file in any public office, any such financing statement or other document or instruments, except financing statements filed or to be filed in favor of the Lender and except for the grant of any license.

(e) Subject to any limitation stated therein or in connection therewith, all information furnished to the Lender concerning the Intellectual Property Collateral and proceeds thereof is and will be accurate and correct in all material respects.

(f) Except as disclosed in Schedule D hereto, all Intellectual Property Collateral consisting of applications for Patents and for registrations of Trademarks and Copyrights has been duly and properly filed and all Intellectual Property Collateral consisting of issued or granted Patents and of registrations of Trademarks and Copyrights (including, without limitation, any and all renewals, reissues, continuations or divisions thereof, as the case may be) has been duly and properly maintained except where the abandonment or dedication to the public of any of such

Patents, Trademarks, or Copyrights of an Obligor is deemed to be in the best interests of such Obligor in the exercise of its reasonable business judgment.

(g) Promptly upon the receipt by any Obligor of an official filing receipt indicating that a patent application or an application for registration of a trademark has been received from such Obligor by the U.S. Patent and Trademark Office (the "PTO") or an application for registration of a copyright has been received from such Obligor by the U.S. Copyright Office and upon the issuance of any patent or of any trademark or copyright registration, such Obligor shall provide the Lender with prompt written notice thereof and shall take all actions and execute and deliver to the Lender all documents necessary or appropriate to perfect a first priority security interest in such patent, trademark or copyright application or such patent or trademark or copyright registration, and each Obligor shall from time to time, as the Lender may reasonably request, cause instruments sufficient to perfect, protect or establish the first priority lien or security interest granted hereunder to be recorded in the PTO with respect to all United States patent applications filed by it or patents issued to it since the prior recording with the PTO, and with respect to all trademark applications filed by it or trademark registrations issued to it since the prior recording with the PTO, such Obligor shall from time to time, as the Lender may reasonably request, cause instruments sufficient to perfect, protect or establish the first priority lien or security interest granted hereunder to be recorded in the U.S. Copyright Office with respect to United States copyright applications filed by it or copyright registrations issued to it since the prior recording with the U.S. Copyright Office.

(h) Except for dispositions of the Intellectual Property Collateral permitted by the Loan Agreement, no Obligor shall take any action, or permit any action to be taken by others subject to such Obligor's control, including any such licensees, or fail to take any action, or permit others subject to such Obligor's control, including any such licensees, to fail to take any action, subject to the provisions of Section 2(g), which would, in the case of any such actions or failures to act taken singly or together, adversely affect the validity, grant and enforceability of the security interest granted to the Lender herein; provided, however, that, so long as no Event of Default shall have occurred and be continuing, each Obligor may license (on a non-exclusive basis) all or part of the Intellectual Property Collateral in any lawful manner that is in the ordinary course of business, is deemed to be in the best interest of such Obligor in the exercise of its reasonable business judgment, and is otherwise not explicitly prohibited by this Agreement. Notwithstanding the foregoing, the Obligors shall be permitted to abandon or dedicate to the public any of the Trademarks, Patents, Copyrights or other Intellectual Property Collateral in accordance with the terms of Section 2(k).

(i) In the event of any material infringement of the Intellectual Property Collateral by others or in the event of any other conduct materially detrimental to the Intellectual Property Collateral by others known or brought to the attention of any Obligor, such Obligor shall as promptly as practicable notify the Lender in writing at the address set forth in the Loan Agreement of such infringement or other conduct and the full nature and extent of such infringement or other conduct known to such Obligor.



(j) If requested by the Lender, each Obligor shall provide the Lender a complete report with respect to its Intellectual Property Collateral and all licenses thereof granted by such Obligor. Upon request by the Lender, each Obligor shall deliver to counsel for the Lender copies of any such Intellectual Property Collateral and other documents concerned with or related to the prosecution, protection, maintenance, enforcement and issuance of the Intellectual Property Collateral.

(k) Except where the abandonment or dedication to the public of any of the Intellectual Property Collateral is deemed to be in the best interest of any Obligor in the exercise of its reasonable business judgment, such Obligor shall notify the Lender in writing at the address set forth in the Loan Agreement at least 30 days prior to any proposed voluntary abandonment of any of its Intellectual Property Collateral and obtain the prior written consent of the Lender.

(l) During the term of this Agreement, each Obligor agrees:

(i) whenever any of the registered Trademarks are used by or on behalf of such Obligor to, if reasonably practicable and to the extent consistent with past practice, affix or cause to be affixed a notice that the mark is a registered trademark or service mark, which notice shall be in a form accepted or required by the trademark marking laws of each country in which the mark is so used and registered; and

(ii) whenever any of the underlying works covered by registered Copyrights are used by or on behalf of such Obligor to (only to the extent required under the laws of the relevant countries, jurisdictions, territories, or international accords) affix or cause to be affixed a notice that said underlying works are so covered, which notice shall be in a form accepted or required by the copyright laws of such country in which said underlying works are so used and registered.

(m) Each Obligor agrees, upon the reasonable request by the Lender, during the term of this Agreement:

(i) to execute, acknowledge and deliver all additional instruments and documents necessary or appropriate to effect the purposes and intents of this Agreement, in a form reasonably acceptable to counsel for the Lender;

(ii) to do all such other acts as may be necessary or appropriate in order to carry out the purposes and intents of this Agreement, and to create, evidence, perfect (except to the extent not perfectible by using commercially reasonable efforts pursuant to the laws of the relevant country, jurisdiction or territory) and continue the security interests of the Lender, in its Intellectual Property Collateral; and

(iii) Without limiting the generality of the foregoing, each Obligor:

(A) authorizes the Lender, in the Lender's sole discretion after five (5) days prior notice to the Obligors, to modify this Agreement without first obtaining any Obligor's approval of or signature to such modification by amending Schedule A, B or C hereof to include a reference to any right, title or interest in any existing Copyright, Patent or Trademark acquired or developed by any Obligor after the execution hereof, or to delete any reference to any right, title or interest in any Copyright, Patent or Trademark in which any Obligor no longer has or claims any right, title or interest; and

(B) hereby authorizes the Lender, in the Lender's sole discretion, to file one or more financing or continuation statements or other notices of security interest, and after five (5) days prior notice to the Obligors, amendments thereto, relative to all or any portion of the Intellectual Property Collateral without the signature of any Obligor where permitted by law.

(n) Each Obligor represents and warrants to the Lender that:

(i) the security interests granted to the Lender hereunder in United States patents and patent applications (the "U.S. Patents") and in the United States trademark registrations and applications (the "U.S. Trademarks"), upon the filing of appropriate filings with the PTO and appropriate UCC financing statements, shall constitute a first priority, perfected security interest in the U.S. Patents and U.S. Trademarks; provided, however, that recordation, filing or registration of such security interest may be required to perfect such security interest in U.S. Patents and U.S. Trademarks acquired by any Obligor after the date hereof;

(ii) the security interests granted to the Lender hereunder in the registered Copyrights and Copyright applications (the "U.S. Copyrights"), upon the filing of appropriate filings with the United States Copyright Office and appropriate UCC financing statements, shall constitute a first priority, perfected security interest in the U.S. Copyrights; provided, however, that recordation, filing or registration of such security interest may be required to perfect such security interest in U.S. Copyrights acquired by any Obligor after the date hereof; and

(iii) the security interests granted to the Lender hereunder in the Proprietary Information located in the United States, upon the filing of any appropriate filings with the PTO or United States Copyright Office and appropriate UCC financing statements, shall constitute a first priority, perfected security interest in such Proprietary Information, to the extent that a first security interest can be created through such filings; provided, however, that recordation, filing or registration of such security interests may be required to perfect such security interest in the Proprietary Information acquired by any Obligor after the date hereof.

**SECTION 3. Indemnity.** The Obligors, jointly and severally, agree to indemnify the Lender from and against any and all claims, losses and liabilities arising out of or resulting from this Agreement (including, without limitation, enforcement of this Agreement and any actions taken pursuant to Section 4 or any failure to act thereunder), except for claims, losses or liabilities resulting from the gross negligence or willful misconduct of the Lender.

**SECTION 4. Rights and Remedies Upon an Event of Default.**

(a) If any Event of Default shall have occurred and be continuing, then and in every such case, subject to any mandatory requirements of applicable law then in effect, the Lender, in addition to other rights and remedies provided for herein and any rights now or hereafter existing under applicable law, shall have all rights and remedies as a secured creditor under the Code in all relevant jurisdictions and may:

(i) personally, or by Lender or attorneys, immediately take possession of the Intellectual Property Collateral or any part thereof, from any Obligor or any other Person who then has possession of any part thereof, with or without notice or process of law, and for that purpose may enter upon any Obligor's premises where any of the Intellectual Property Collateral is located and remove the same and use in connection with such removal any and all services, supplies, aids and other facilities of any Obligor;

(ii) sell, assign or otherwise liquidate, or direct any Obligor to sell, assign or otherwise liquidate, any or all of the Intellectual Property Collateral or any part thereof, and take possession of the proceeds of any such sale or liquidation;

(b) Any collateral repossessed by the Lender under or pursuant to Section 4(a) and any other Intellectual Property Collateral whether or not so repossessed by the Lender, may be sold, assigned, leased or otherwise disposed of under one or more contracts or as an entirety, and without the necessity of gathering at the place of sale the property to be sold, and in general in such manner, at such time or times, at such place or places and on such terms as the Lender may, in compliance with any mandatory requirements of applicable law, determine to be commercially reasonable. Any such disposition which shall be a private sale or other private proceedings permitted by such requirements shall be made upon not less than 10 days' written notice to the applicable Obligor. Any such disposition which shall be a public sale permitted by such requirements shall be made upon not less than 10 days' written notice to the applicable Obligor specifying the time and place of such sale and, in the absence of applicable requirements of law, shall be by public auction (which may, at the option of the Lender, be subject to reserve), after publication of notice of such auction not less than 10 days prior thereto in two newspapers in general circulation in the jurisdiction in which such auction is to be held. To the extent permitted by any such requirement of law, the Lender may bid for and become the purchaser of the Intellectual Property Collateral or any item thereof, offered for sale in accordance with this Section without accountability to any Obligor (except to the extent of surplus money received). If, under mandatory requirements of applicable law, the Lender shall be required to make disposition of the Intellectual Property Collateral within a period of time which does not permit the giving of notice to

the applicable Obligor as hereinabove specified, the Lender need give the applicable Obligor only such notice of disposition as shall be reasonably practicable in view of such mandatory requirements of applicable law. The Lender shall not be obligated to make any sale of Intellectual Property Collateral regardless of notice of sale having been given. The Lender may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned.

(c) Upon the occurrence and during the continuance of an Event of Default, the Lender shall have the right at any time to make any payments and do any other acts the Lender may deem necessary to protect its security interests in the Intellectual Property Collateral, including, without limitation, the rights to pay, purchase, contest or compromise any encumbrance, charge or Lien which, in the reasonable judgment of the Lender, appears to be prior to or superior to the security interests granted hereunder, and appear in and defend any action or proceeding purporting to affect its security interests in, and/or the value of, the Intellectual Property Collateral. The Obligors hereby jointly and severally agree to reimburse the Lender for all reasonable payments made and expenses incurred under this Agreement including reasonable and documented fees, expenses and disbursements of attorneys and paralegals acting for the Lender, including any of the foregoing payments under, or acts taken to protect its security interests in, the Intellectual Property Collateral, which amounts shall be secured under this Agreement, and agree they shall be bound by any payment made or act taken by the Lender hereunder absent the Lender's gross negligence or willful misconduct. The Lender shall have no obligation to make any of the foregoing payments or perform any of the foregoing acts.

(d) Each Obligor hereby irrevocably authorizes and appoints the Lender, or any Person or Lender the Lender may designate, as such Obligor's attorney-in-fact, with full authority in the place and stead of such Obligor and in the name of such Obligor or otherwise, at such Obligor's cost and expense, in the Lender's discretion, to, upon the occurrence and during the continuance of an Event of Default, take any action and to execute any instrument that the Lender may deem necessary or advisable to accomplish the purposes and intents of this Agreement and to exercise all of the following powers, which powers, being coupled with an interest, shall be irrevocable until all of the Obligations shall have been paid and satisfied in full:

(i) ask for, demand, collect, bring suit, recover, compromise, administer, accelerate or extend the time of payment, issue credits, compromise, receive and give acquittance and receipts for moneys due and to become due under or in respect of any of the Intellectual Property Collateral;

(ii) receive, take, endorse, negotiate, sign, assign and deliver and collect any checks, notes, drafts or other instruments, documents and chattel paper, in connection with clause (i) above;

(iii) receive, open and dispose of all mail addressed to such Obligor in connection with the Intellectual Property Collateral and notify postal authorities to change the address for delivery thereof to such address as the Lender may designate;

(iv) give customers indebted on the Intellectual Property Collateral of such Obligor notice of the Lender's interest therein, and/or to instruct such customers to make payment directly to the Lender for such Obligor's account and/or to request, at any time from customers indebted on the Intellectual Property Collateral, verification of information concerning the Intellectual Property Collateral and the amounts owing thereon;

(v) convey any item of Intellectual Property Collateral to any purchaser thereof;

(vi) record any instruments under Section 2(g) hereof;

(vii) make any payments or take any acts under Section 4(c) hereof; and

(viii) file any claims or take any action or institute any proceedings that the Lender may reasonably deem necessary or desirable for the collection of any of the Intellectual Property Collateral or otherwise to enforce the rights of the Lender with respect to any of the Intellectual Property Collateral.

The Lender's authority under this Section 4(d) shall include, without limitation, the authority to execute and give receipt for any certificate of ownership or any document, transfer title to any item of Intellectual Property Collateral of any Obligor, sign any Obligor's name on all financing statements or any other documents deemed necessary or appropriate to preserve, protect or perfect the security interest in the Intellectual Property Collateral and to file the same, prepare, file and sign any Obligor's name on any notice of Lien, assignment or satisfaction of Lien or similar document in connection with any Intellectual Property Collateral of any Obligor and prepare, file and sign any Obligor's name on a proof of claim in bankruptcy or similar document against any customer of any Obligor, and to take any other actions arising from or incident to the rights, powers and remedies granted to the Lender in this Agreement.

(e) All cash proceeds received by the Lender in respect of any sale of, collection from, or other realization upon all or any part of the Intellectual Property Collateral shall be applied by the Lender against the Obligations in such order as the Lender may determine and any remaining proceeds after the Obligations have been fully repaid shall be disbursed to the Obligors.

(f) The Lender shall have the right of setoff as provided in the Loan Agreement.

(g) Upon the occurrence and during the continuance of an Event of Default, all income, royalties, payments and damages under or in respect of the Intellectual Property Collateral of the Obligors, if any, received thereafter shall be held by the Obligors in trust for the benefit of the Lender, separate from each Obligor's own property or funds and immediately turned over to the Lender with proper assignments or endorsements. Upon the occurrence and during the continuance of an Event of Default, the Lender shall have the right to notify payors of income, royalties, payments and damages under or in respect of the Intellectual Property Collateral to make payment directly to the Lender.

(h) Each and every right, power and remedy hereby specifically given to the Lender shall be in addition to every other right, power and remedy specifically given under this Agreement or under the other Loan Documents or now or hereafter existing at law or in equity, or by statute, and each and every right, power and remedy whether specifically herein given or otherwise existing may be exercised from time to time or simultaneously and as often and in such order as may be deemed expedient by the Lender. All such rights, powers and remedies shall be cumulative and the exercise or the beginning of exercise of one shall not be deemed a waiver of the right to exercise of any other or others. No delay or omission of the Lender in the exercise of any such right, power or remedy and no renewal or extension of any of the Obligations shall impair any such right, power or remedy or shall be construed to be a waiver of any Default or Event of Default or any acquiescence therein.

#### SECTION 5. Miscellaneous Provisions.

(a) Notices. All notices, approvals, consents or other communications required or desired to be given hereunder shall be in writing and sent by certified or registered mail, return receipt requested, or by overnight delivery service, with all charges prepaid, or by telecopier, if to the Lender, then to Transamerica Business Capital Corporation, at 555 Theodore Fremd Avenue, Rye, New York 10580, Attention: Mr. Michael S. Burns, Telecopy: (914) 921-0110, with a copy to Transamerica Business Capital Corporation, 555 Theodore Fremd Avenue, Rye, New York 10580, Attention: Gary Luks, Esq., Telecopy: (914) 921-0110, and if to any Obligor, then to c/o New Briggs Holdings, Inc., 300 Eagle Road, Goose Creek, South Carolina 29445, Attention: Jorge Meruane, Treasurer, and Rebecca DiPietro, Controller, Telecopy: (863) 569-2389, or, as to any party, at such other address as shall be designated by such person in a written notice to each other party. All such notices and correspondence shall be deemed given (i) if sent by certified or registered mail, three (3) Business Days after being postmarked, (ii) if sent by overnight delivery service, when received at the above stated addresses or when delivery is refused and (iii) if sent by facsimile transmission, when receipt of such transmission is acknowledged.

(b) Headings. The headings in this Agreement are for purposes of reference only and shall not affect the meaning or construction of any provision of this Agreement.

(c) Severability. The provisions of this Agreement are severable, and if any clause or provision shall be held invalid or unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect, in that jurisdiction only, such clause or provision, or part thereof, and shall not in any manner affect such clause or provision in any other jurisdiction or any other clause or provision of this Agreement in any jurisdiction.

(d) Amendments, Waivers and Consents. Any amendment or waiver of any provision of this Agreement and any consent to any departure by any Obligor from any provision of this Agreement shall not be effective unless the same shall be in writing and signed by the Obligors and the Lender and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

(e) Interpretation. Time is of the essence in each provision of this Agreement of which time is an element. All terms not defined herein or in the Loan Agreement shall have the meaning set forth in the UCC, except where the context otherwise requires. To the extent a term or provision of this Agreement conflicts with the Loan Agreement and is not dealt with herein with more specificity, the Loan Agreement shall control with respect to the subject matter of such term or provision. Acceptance of or acquiescence in a course of performance rendered under this Agreement shall not be relevant in determining the meaning of this Agreement even though the accepting or acquiescing party had knowledge of the nature of the performance and opportunity for objection.

(f) Continuing Security Interest. This Agreement shall create a continuing security interest in the Intellectual Property Collateral and shall (i) remain in full force and effect until the payment in full in cash of the Obligations and the termination of all outstanding Letters of Credit and the obligation of the Lender to make Loans to the Borrower, (ii) be binding upon each Obligor and its successors and assigns and (iii) inure, together with the rights and remedies of the Lender hereunder, to the benefit of the Lender and its successors, transferees and assigns. Without limiting the generality of the foregoing clause (iii), the Lender may, in accordance with the terms or the Loan Agreement, assign or otherwise transfer all or any portion of its rights and obligations under the Loan Documents (including, without limitation, all or any portion of any Loans or any Notes held by it) to any other Person, and such other Person, except with respect to the sale of a participation, shall thereupon become vested with all the benefits in respect thereof granted to such Lender herein or otherwise, in each case as provided in the Loan Agreement.

(g) Reinstatement. To the extent permitted by law, this Agreement shall continue to be effective or be reinstated if at any time any amount received by the Lender in respect of the Obligations is rescinded or must otherwise be restored or returned by the Lender upon the occurrence or during the pendency of any bankruptcy, reorganization or other similar proceeding applicable to any Obligor, or upon or during the occurrence of any dissolution, liquidation or winding up of any Obligor, all as though such payments had not been made.

(h) Survival of Provisions. All representations, warranties and covenants of the Obligors contained herein shall survive the Closing Date, and shall terminate only upon the full and final payment and performance of the Obligations secured hereby and termination of the Loan Agreement and the other Loan Documents.

(i) Lender May Perform. If any Obligor fails to perform any agreement contained herein, the Lender may itself perform, or cause performance of, such agreement, and the reasonable expenses of the Lender incurred in connection therewith shall be jointly and severally payable by the Obligors and shall constitute Obligations secured by this Agreement.

(j) No Duty on Lender. The powers conferred on the Lender hereunder are solely to protect the interest of the Lender in the Intellectual Property Collateral and shall not impose any duty upon the Lender to exercise any such powers. Except for the safe custody of any Intellectual Property Collateral in its possession and the accounting for moneys actually received by

it hereunder, the Lender shall have no duty as to any Intellectual Property Collateral, as to ascertaining or taking action with respect to matters relative to any Intellectual Property Collateral, whether or not the Lender has or is deemed to have knowledge of such matters, or as to the taking of any necessary steps to preserve rights against any parties or any other rights pertaining to any Intellectual Property Collateral. The Lender shall be deemed to have exercised reasonable care in the custody and preservation of any Intellectual Property Collateral in its possession if such Intellectual Property Collateral is accorded treatment substantially equal to that which the Lender accords its own similar property. To the extent the Intellectual Property Collateral is held by a custodian, the Lender shall be deemed to have exercised reasonable care if it has selected the custodian with reasonable care.

(k) Delays; Partial Exercise of Remedies. No delay or omission of the Lender to exercise any right or remedy hereunder, whether before or after the happening of any Event of Default, shall impair any such right or shall operate as a waiver thereof or as a waiver of any such Event of Default. No single or partial exercise by the Lender of any right or remedy shall preclude any other or further exercise thereof, or preclude any other right or remedy.

(l) Release; Termination of Agreement.

(i) The Lender shall release any Lien in favor of the Lender upon the sale, transfer or disposition of any Intellectual Property Collateral permitted to be sold, transferred or disposed of pursuant to Section 7.2(e) of the Loan Agreement in accordance with the terms of such Section.

(ii) Subject to the provisions of Section 5(g) hereof, upon the payment in full in cash of the Obligations and the termination of all outstanding Letters of Credit and the obligation of the Lender to make Loans to the Borrower, this Agreement and the Liens created hereby shall terminate and all rights in the Intellectual Property Collateral shall revert to the Obligors. At such time, the Lender shall, upon the request and at the expense of the Obligors, (A) execute and deliver to the Obligors such documents and shall take such other actions as the Obligors shall reasonably request to evidence such termination and (B) reassign and redeliver to the Obligors all of the Intellectual Property Collateral hereunder which has not been sold, disposed of, retained or applied by the Lender in accordance with the terms hereof. Such reassignment and redelivery shall be without warranty by or recourse to the Lender, except as to the absence of any prior assignments or encumbrances by the Lender of its interest in the Intellectual Property Collateral.

(m) Counterparts, etc. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which shall together constitute one and the same agreement. This Agreement may be delivered by counterparts with the same force and effect as if it were a manually executed and delivered counterpart.

(n) GOVERNING LAW. THE VALIDITY, INTERPRETATION AND ENFORCEMENT OF THIS AGREEMENT AND ANY DISPUTE ARISING OUT OF OR IN



CONNECTION WITH THIS AGREEMENT, WHETHER SOUNDING IN CONTRACT, TORT, EQUITY OR OTHERWISE, SHALL BE GOVERNED BY THE INTERNAL LAWS AND DECISIONS OF THE STATE OF ILLINOIS, EXCEPT TO THE EXTENT THAT FEDERAL LAW IS APPLICABLE.

(o) SERVICE OF PROCESS. EACH OBLIGOR AGREES THAT SERVICE OF PROCESS IN ANY ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT MAY BE EFFECTED BY MAILING A COPY THEREOF BY REGISTERED OR CERTIFIED MAIL (OR ANY SUBSTANTIALLY SIMILAR FORM OF MAIL) POSTAGE PREPAID, TO SUCH OBLIGOR AT ITS ADDRESS SET FORTH IN SECTION 5(A). NOTHING HEREIN SHALL AFFECT THE RIGHT OF THE LENDER OR ANY LENDER TO SERVE LEGAL PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR AFFECT THE RIGHT OF THE LENDER OR ANY LENDER TO BRING ANY ACTION OR PROCEEDING AGAINST ANY OBLIGOR OR ITS PROPERTY IN THE COURTS OF OTHER JURISDICTIONS.

(p) SUBMISSION TO JURISDICTION. EACH OBLIGOR HEREBY IRREVOCABLY AND UNCONDITIONALLY:

(i) SUBMITS FOR ITSELF AND ITS PROPERTY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS TO WHICH IT IS A PARTY, OR FOR RECOGNITION AND ENFORCEMENT OF ANY JUDGMENT IN RESPECT THEREOF, TO THE NON-EXCLUSIVE GENERAL JURISDICTION OF THE COURTS LOCATED IN COOK COUNTY, ILLINOIS AND APPELLATE COURTS FROM ANY THEREOF;


(ii) CONSENTS THAT ANY SUCH ACTION OR PROCEEDING MAY BE BROUGHT IN SUCH COURTS AND WAIVES ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE VENUE OF ANY SUCH ACTION OR PROCEEDING IN ANY SUCH COURT OR THAT SUCH ACTION OR PROCEEDING WAS BROUGHT IN AN INCONVENIENT COURT AND AGREES NOT TO PLEAD OR CLAIM THE SAME;

(iii) WAIVES THE RIGHT TO ASSERT ANY SETOFF, COUNTERCLAIM OR CROSS-CLAIM IN RESPECT OF, AND ALL STATUTES OF LIMITATIONS WHICH MAY BE RELEVANT TO, SUCH ACTION OR PROCEEDING.

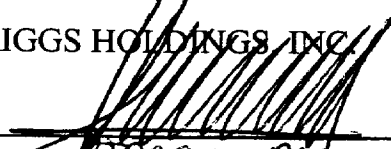
(q) WAIVER OF JURY TRIAL. THE OBLIGORS AND THE LENDER HEREBY WAIVE ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING ARISING OUT OF THIS AGREEMENT, ANY OF THE OTHER LOAN DOCUMENTS, OR ANY OTHER AGREEMENTS OR TRANSACTIONS RELATED HERETO OR THERETO.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective duly authorized officers as of the day and year first above written.


BRIGGS PLUMBING PRODUCTS, INC.

By:   
Name: Jorge Meruane  
Title: Treasurer  
Secretary


NEW BRIGGS HOLDINGS, INC.

By:   
Name: Jorge Meruane  
Title: Treasurer  
Secretary

CISA, INC.


By:   
Name: Jorge Meruane  
Title: Treasurer  
Secretary

BRIGGS INDUSTRIES, INC.

By:   
Name: Jorge Meruane  
Title: Treasurer  
Secretary

Accepted and Agreed as of the date first above written:

TRANSAMERICA BUSINESS CAPITAL CORPORATION

By:   
Name: Michael Burns  
Title: SVP

Patents and Patent Applications**A. Briggs Plumbing Products, Inc.**

<u>Patent Description</u>	<u>Registration Number</u>	<u>Registration Date</u>
Lavatory with Improved Overflow Duct Assembly	4937899	7/03/90

**B. New Briggs Holdings, Inc.**

none

**C. CISA, Inc.**

none

**D. Briggs Industries, Inc.**

<u>Patent Description</u>	<u>Registration Number</u>	<u>Registration Date</u>
Lavatory with Improved Overflow Duct Assembly	1315046 (Canada)	3/30/93
Lavatory with Improved Overflow Duct Assembly	169468 (Mexico)	7/06/93
Water Closet	D379405	5/20/97

Trademarks and Trademark Applications**A. Briggs Plumbing Products, Inc.**

<u>Trademark</u>	<u>Registration Number</u>	<u>Registration Date</u>
Briggs & design (swirl)	2,114,213	11/18/97
B. Briggs & design (stylized B)	2,114,828	11/18/97
SAYCO & Design	2,099,227	9/23/97
MATTAWA	2,162,660	6/2/98
VENICE	2,162,659	6/2/98
ALTIMIX	2,126,254	12/30/97
VACUITY	2,078,069	7/8/97
MOVING WATER FOR PEOPLE	2,342,933	4/18/00
TOILET EXPRESS	2,353,281	5/30/00
BISCAY	1,855,148	9/20/94
ULTRA TUFF	1,787,448	8/10/93
BEAUTYWARE & DESIGN	1,500,436	8/16/88
BEAUTY SPA	0852,569	7/16/68
KARA	1,851,937	8/30/94
CASPIAN	1,855,147	9/20/94
DANUBE	1,855,146	9/20/94
AEGEAN	1,855,145	9/20/94
ADRIATIC	1,855,144	9/20/94
BALTIC	1,887,881	4/4/95
ULTRA TUFF	1,809,011	12/7/93
KITCHEN KWEEN	0669,171	11/4/58

<u>Trademark</u>	<u>Registration Number</u>	<u>Registration Date</u>
BRIGGS	845,651 (CANADA)	5/21/97
SAYCO	TM A526,276 (CANADA)	3/31/00
BRIGGS & DESIGN (SWIRL)	864,573 (CHINA)	UNKNOWN
BRIGGS (LOCAL CLASS 37)	24,008 (DOMINICAN REPUBLIC)	UNKNOWN
SAYCO (LOCAL CLASS 37)	94,176 (DOMINICAN REPUBLIC)	12/15/2017
BRIGGS (LOCAL CLASS 40)	94,181 (DOMINICAN REPUBLIC)	12/15/2017
SAYCO & DESIGN	86110 (GUATEMALA)	UNKNOWN
BRIGGS & DESIGN (SWIRL)	2221 (HONG KONG)	3/9/98
BRIGGS	1367393 (JAPAN)	UNKNOWN
BRIGGS (CLASS 11)	552,971 (MEXICO)	UNKNOWN
SAYCO (CLASS 11)	552,972 (MEXICO)	UNKNOWN
AMERICAN BRIGGS & B DESIGN	329849/KOR56520, I.C.11 (THAILAND)	REGISTERED-DATE NOT KNOWN
B BRIGGS & DESIGN (STYLIZED B)	KOR33206 (THAILAND)	REGISTERED-DATE NOT KNOWN

<u>Trademark Application</u>	<u>Application/Serial Number</u>	<u>Application Date</u>
B BRIGGS & DESIGN	NOT KNOWN	FILED THIS MONTH IN CANADA
STYLIZED B	2000-01706	PENDING APPLICATION IN GUATEMALA; PUBLISHED FOR OPPOSITION
SAYCO (CLASS 6)	296,262	PENDING APPLICATION IN MEXICO

**B. New Briggs Holdings, Inc.**

none

**C. CISA, Inc.**

<u>Trademark</u>	<u>Registration Number</u>	<u>Registration Date</u>
SAVEX	1,607,400	7/24/90

<u>Trademark Application</u>	<u>Application/Serial Number</u>	<u>Application Date</u>
WC INC. & DESIGN	75/585,245	11/9/98; APPROVED FOR PUBLICATION 7/14/01

**D. Briggs Industries, Inc.**

<u>Trademark</u>	<u>Registration Number</u>	<u>Registration Date</u>
ALTIMA	2,101,989	9/30/97
WHISPERVAC	2,086,358	8/5/97
TURBOFLUSH	1,585,499	3/6/90

<u>Trademark Application</u>	<u>Application/Serial Number</u>	<u>Application Date</u>
PALM	75/139,510	7/10/96 - APPLICATION ABANDONED 1/16/98 - NO STATEMENT OF USE FILED
PALM	75/139,509	7/10/96 - APPLICATION ABANDONED 3/17/98 - NO STATEMENT OF USE FILED

Copyright Registrations

**A. Briggs Plumbing Products, Inc.**

none

**B. New Briggs Holdings, Inc.**

none

**C. CISA, Inc.**

none

**D. Briggs Industries, Inc.**

none

Assignments, Transfers, Agreements, Financing Statements, etc.

None