

07-18-2002



7-18-02

Form PTO-1594  
(Rev. 03/01)  
OMB No. 0651-0027 (exp. 5/31/2002)

102160107  
**TRADEMARKS ONLY**

U.S. DEPARTMENT OF COMMERCE  
U.S. Patent and Trademark Office

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

<p>1. Name of conveying party(ies): American Water Heater Company</p> <p><input type="checkbox"/> Individual(s)                      <input type="checkbox"/> Association  <input type="checkbox"/> General Partnership              <input type="checkbox"/> Limited Partnership  <input checked="" type="checkbox"/> Corporation-State (Nevada)  <input type="checkbox"/> Other _____</p> <p>Additional name(s) of conveying party(ies) attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>	<p>2. Name and address of receiving party(ies) Name: Fleet Capital Corporation</p> <p>Internal Address: _____  Street Address: One South Wacker Drive, Suite 1400  City: Chicago State: IL Zip: 60606</p> <p><input type="checkbox"/> Individual(s) citizenship _____  <input type="checkbox"/> Association _____  <input type="checkbox"/> General Partnership _____  <input type="checkbox"/> Limited Partnership _____  <input checked="" type="checkbox"/> Corporation-State Rhode Island  <input type="checkbox"/> Other _____</p> <p>If assignee is not domiciled in the United States, a domestic representative designation is attached: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  (Designations must be a separate document from assignment)  Additional name(s) &amp; address(es) attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
<p>3. Nature of conveyance:</p> <p><input type="checkbox"/> Assignment                              <input type="checkbox"/> Merger  <input checked="" type="checkbox"/> Security Agreement                      <input type="checkbox"/> Change of Name  <input type="checkbox"/> Other _____</p> <p>Execution Date: June 19, 2002</p>	

<p>4. Application number(s) or registration number(s):</p> <p>A. Trademark Application No.(s) SEE ATTACHED SCHEDULE A</p>	<p>B. Trademark Registration No.(s) SEE ATTACHED SCHEDULE B</p> <p>Additional number(s) attached <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
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<p>5. Name and address of party to whom correspondence concerning document should be mailed: Name: Tammy S. Settle</p> <p>Internal Address: _____  Vedder, Price, Kaufman &amp; Kammholz</p> <p>Street Address: 222 N. LaSalle St., 24th Floor</p> <p>City: Chicago State: IL Zip: 60601</p>	<p>6. Total number of applications and registrations involved: ..... <span style="border: 1px solid black; padding: 2px;">26</span></p> <p>7. Total fee (37 CFR 3.41).....\$ 665.00</p> <p><input checked="" type="checkbox"/> Enclosed  <input checked="" type="checkbox"/> Authorized to be charged to deposit account  (Charge any deficiencies or credit any overpayment to the acct)</p> <p>8. Deposit account number: 22-0259</p> <p>(Attach duplicate copy of this page if paying by deposit account)</p>
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**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.*

Tammy S. Settle  
Name of Person Signing

Signature

Date

Total number of pages including cover sheet, attachments, and document: 15

07/18/2002 6TON11 00000132 76334871

Mail documents to be recorded with required cover sheet information to:  
Commissioner of Patent & Trademarks, Box Assignments  
Washington, D.C. 20231

01 FC:481 40.00 OP  
02 FC:482 625.00 OP

**TRADEMARK**  
**REEL: 002545 FRAME: 0001**

TRADEMARK AND LICENSE SECURITY AGREEMENT  
BETWEEN AMERICAN WATER HEATER COMPANY  
and FLEET CAPITAL CORPORATION  
TRADEMARK APPLICATIONS  
SCHEDULE A

MARK	APPLICATION NO.
SMARTEST CHOICE	76/334,871
ENERGY SMART	76/295,192

TRADEMARK REGISTRATIONS  
SCHEDULE B

MARK	REGISTRATION NO.
AMERICA'S FAVORITE WATER HEATER	2,566,340
COMMERCIAL SIZING WIZARD	2,427,634
AMERICAN AND EAGLE DESIGN	2,199,454
NEW LOGO AMERICAN EAGLE	2,152,345
NEW EAGLE DESIGN ONLY	2,040,052
PROLINE	1,982,501
PROLINE PLUS	2,067,732
US CRAFTMASTER	1,928,090
SUPREME	1,887,060
PROFITS THROUGH PARTNERSHIP	1,937,785
CHAMPION	1,802,009
POWERFLEX	1,774,168
SUPER EAGLE	1,681,092
DE-LIMER	1,464,497
PROLINE (STYLIZED LETTERS)	1,500,029
POLARIS	1,512,581
CRAFTMASTER	1,236,180
NEPTUNE	1,261,619
MOR-FLO	602,995
JACKSON	720,913
HOTSTREAM	871,776
LIMEFIGHTER	1,213,188
NAUTILUS	1,219,030
AMERICAN	1,230,983

## TRADEMARK AND LICENSE SECURITY AGREEMENT

TRADEMARK AND LICENSE SECURITY AGREEMENT ("Agreement") dated as of June 19, 2002, made by AMERICAN WATER HEATER COMPANY, a Nevada corporation having an office at 500 Princeton Road, Johnson City, Tennessee 37602 ("Borrower"), and FLEET CAPITAL CORPORATION, a Rhode Island corporation having an office at One South Wacker Drive, Suite 1400, Chicago, Illinois 60606, individually and as agent ("Agent") for itself and any other financial institution which is or becomes a party to the Loan Agreement (as hereinafter defined) (collectively, "Lenders").

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

WHEREAS, Agent, Lenders and Borrower have entered into that certain Loan and Security Agreement of even date herewith (as the same may hereafter be amended or otherwise modified from time to time, the "Loan Agreement"), pursuant to which Lenders have, subject to certain conditions precedent, agreed to make loans, advances and other financial accommodations (collectively, the "Loans") to Borrower; and

WHEREAS, Agent, Lenders have required as a condition, among others, to the making of the Loans to Borrower, in order to secure the prompt and complete payment, observance and performance of all of Borrower's obligations and liabilities hereunder, under the Loan Agreement, and under all of the other instruments, documents and agreements executed and delivered by Borrower to Agent and Lenders in connection with the Loan Agreement (all such obligations and liabilities being hereinafter referred to collectively as the "Obligations"), that Borrower execute and deliver this Agreement to Agent, for its benefit and the ratable benefit of Lenders;

NOW, THEREFORE, in consideration of the premises set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Borrower agrees as follows:

1. Defined Terms.

(a) Unless otherwise defined herein, the capitalized terms used herein which are defined in the Loan Agreement shall have the meanings specified in the Loan Agreement.

(b) The words "hereof," "herein" and "hereunder" and words of like import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and section and schedule references are to this Agreement unless otherwise specified.

(c) All terms defined in this Agreement in the singular shall have comparable meanings when used in the plural, and vice versa, unless otherwise specified.

2. Security Interest in Trademarks. To secure the complete and timely payment, performance and satisfaction of all of the Obligations, Borrower hereby grants to Agent, for its benefit and the ratable benefit of Lenders, a first priority security interest in, having priority over all other security interests, with power of sale to the extent permitted by applicable law,

exercisable after and during the occurrence of an Event of Default, all of Borrower's now owned or existing and filed and hereafter acquired or arising and filed:

(i) trademarks, registered trademarks and trade mark applications, trade names, service marks, registered service marks and service mark applications including, without limitation, the registered trademarks, trademark applications, registered service marks and service mark applications listed on Schedule A, and (a) all renewals thereof, (b) all income, royalties, damages and payments now and hereafter due and/or payable with respect thereto, including, without limitation, payments under all licenses entered into in connection therewith and damages and payments for past or future infringements or dilutions thereof, (c) the right to sue for past, present and future infringements and dilutions thereof, and (d) all of Borrower's rights corresponding thereto throughout the world (all of the foregoing registered trademarks, trademark applications, registered service marks and service mark applications, together with the items described in clauses (a)-(d) in this paragraph 2(i), being sometimes hereinafter individually and/or collectively referred to as the "Trademarks");

(ii) the goodwill of Borrower's business connected with and symbolized by the Trademarks; and

(iii) license agreements with any other party in connection with any Trademarks or such other party's trademarks, registered trademarks and trademark applications, trade names, service marks, registered service marks and service mark applications, whether Borrower is a licensor or licensee under any such license agreement, including, but not limited to, the license agreements listed on Schedule B, and the right upon the occurrence and during the continuance of an Event of Default to use the foregoing in connection with the enforcement of Agent's or Lenders' rights under the Loan Agreement (all of the foregoing being hereinafter referred to collectively as the "Licenses"). Notwithstanding the foregoing provisions of this Section 2, the Licenses shall not include any license agreement which by its terms prohibits the grant of the security interest, use, transfer, or assignment contemplated by this Agreement.

3. Restrictions on Future Agreements. Borrower will not, without Agent's prior written consent (which will not be unreasonably withheld or delayed), enter into any agreement after the date hereof, including, without limitation, any license agreement, which is inconsistent with this Agreement, and Borrower further agrees that it will not take any action, and will use its best efforts not to permit any action to be taken by others subject to its control, including licensees, or fail to take any action, which would in any material respect adversely affect the validity or enforcement of the rights transferred to Agent, for its benefit and the ratable benefit of Lenders under this Agreement or the rights associated with those Trademarks which are necessary in the operation of Borrower's business.

4. New Trademarks. Borrower represents and warrants that the Trademarks and Licenses listed on Schedules A and B, respectively, include all of the trademarks, trademark registrations, trademark applications, tradenames, service marks, service mark registrations, service mark applications and license agreements in connection with trademarks, registered trademarks, trademark applications, tradenames, service marks, registered service marks and

service mark applications now owned or held by Borrower. If, prior to the termination of this Agreement, Borrower shall (i) obtain rights to any new trademarks, trademark registrations, trademark applications, trade names, service marks, service mark registrations, service mark applications or license agreements in connection with trademarks, registered trademarks, trademark applications, trade names, service marks, registered service marks or service mark applications or (ii) become entitled to the benefit of any trademark, trademark registration, trademark application, trade name, service mark, service mark registration or service mark application, the provisions of Section 2 shall automatically apply thereto and Borrower shall give to Agent prompt written notice thereof. Borrower hereby authorizes Agent to modify this Agreement by (i) amending Schedules A or B, as the case may be, to include any future trademarks, trademark registrations, trademark applications, trade names, service marks, service mark applications and license agreements in connection with trademarks, registered trademarks, trademark applications, service marks, service mark registrations, service mark applications and trade names that are Trademarks or Licenses under Section 2, or under this Section 4, and (ii) filing, in addition to and not in substitution for, this Agreement, a duplicate original of this Agreement containing on Schedules A or B thereto, as the case may be, such future trade marks, trademark applications, trade names, service marks, service mark applications and license agreements in connection with trademarks, registered trademarks, trademark applications, service marks, registered service marks, service mark applications and trade names which are Trademarks or Licenses under Section 2 or this Section 4.

5. Royalties. Borrower hereby agrees that the use by Agent of the Trademarks and Licenses as authorized hereunder shall be co-extensive with Borrower's rights thereunder and with respect thereto and without any liability for royalties or other related charges from Agent to Borrower.

6. Nature and Continuation of Lenders' Security Interest. This Agreement is made for collateral security purposes only. This Agreement shall create a continuing security interest in the Trademarks and Licenses and shall remain in full force and effect until the Obligations have been paid in full and the Loan Agreement terminated.

7. Right to Inspect; Further Assignments and Security Interests. Agent shall have the right, at any reasonable time and from time to time, to inspect Borrower's premises and to examine Borrower's books, records, and operations relating to the Trademarks, including, without limitation, Borrower's quality control processes; provided, that in conducting such inspections and examinations, Agent shall use best efforts not to disturb unnecessarily the conduct of Borrower's ordinary business operations. From and during the occurrence of an Event of Default, and subject to the terms of the Loan Agreement, Borrower agrees that Agent or a conservator appointed by Agent, shall have the right to establish such reasonable additional product quality controls as Lenders or such conservator, in its sole judgment, may deem necessary to assure maintenance of the quality of products sold by Borrower under the Trademarks. Borrower agrees (i) except as permitted by the Loan Agreement, not to sell or assign its respective interests in, or grant any license under, the Trademarks without the prior written consent of Agent (which consent will not be unreasonably withheld or delayed), (ii) to substantially maintain the quality of any and all products in connection with which the Trademarks are used, consistent substantially with the quality of said products as of the date hereof, and (iii) not to adversely change the quality of such products in any material respect

without the prior written consent of Agent (which consent will not be unreasonably withheld or delayed).

8. Duties of Borrower. Borrower shall have the duty, to the extent desirable in the normal conduct of Borrower's business and consistent with Borrower's current business practices (i) to prosecute diligently any of its trademark applications or service mark applications that are part of the Trademarks pending as of the date hereof or thereafter until the termination of this Agreement, (ii) to make applications for trademarks and service marks as Borrower deems appropriate and material, and (iii) to take reasonable steps to preserve and maintain all of Borrower's rights in the trademark applications, service mark applications and trademark and service mark registrations that are part of the Trademarks. Any expenses incurred in connection with the foregoing shall be borne by Borrower. Borrower shall not abandon any material trademark or service mark which is the subject of a registered trademark, service mark or application therefor and which is or shall be necessary or economically important in the operation of the Borrower's business. Borrower agrees to retain an experienced trademark attorney reasonably acceptable to Agent for the filing and prosecution of all such applications and other proceedings. Neither Agent nor Lenders shall have any duty with respect to the Trademarks. Without limiting the generality of the foregoing, neither Agent nor Lenders shall be under any obligation to take any steps necessary to preserve rights in the Trademarks and Licenses against any other parties, but may do so at its option during the continuance of an Event of Default, and all reasonable expenses incurred in connection therewith shall be for the sole account of Borrower and added to the Obligations secured hereby.

9. Lenders' Right to Sue. From and during the continuance of an Event of Default, and subject to the terms of the Loan Agreement, Agent shall have the right, but shall not be obligated, to bring suit to enforce the Trademarks and the Licenses and, if Agent shall commence any such suit, Borrower shall, at the request of Agent, do any and all lawful acts and execute any and all proper documents required by Agent in aid of such enforcement. Borrower shall, upon demand, promptly reimburse and indemnify Agent for all costs and reasonable expenses incurred by Agent in the exercise of its rights under this Section 9 (including, without limitation, all reasonable attorneys' and paralegals' fees). If, for any reason whatsoever, Agent is not reimbursed with respect to the costs and expenses referred to in the preceding sentence, such costs and expenses shall be added to the Obligations secured hereby.

10. Waivers. No course of dealing between Borrower and Agent, and no failure to exercise or delay in exercising on the part of Agent any right, power or privilege hereunder or under the Loan Agreement shall operate as a waiver of any of Agent's rights, powers or privileges. No single or partial exercise of any right, power or privilege hereunder or under the Loan Agreement shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

11. Lenders' Exercise of Rights and Remedies Upon Default. Notwithstanding anything set forth herein to the contrary, it is hereby expressly agreed that upon the occurrence and during the continuance of an Event of Default, Agent may exercise any of the rights and remedies provided in this Agreement, the Loan Agreement, or any other agreement executed in connection therewith. Without limiting the generality of the foregoing, Borrower acknowledges and agrees that (i) the Trademarks and Licenses comprise a portion of the Collateral and Lenders

shall have the right to exercise their rights under the Loan Agreement with respect to the Trademarks and Licenses to the same extent as with respect to all other items of Collateral described therein, and (ii) from and during the continuance of an Event of Default, Agent or their nominee may use the Trademarks and Licenses to complete the manufacture of, assemble, package, distribute, prepare for sale and sell the Inventory, or otherwise in connection with the conduct of Borrower's business.

12. Severability. The provisions of this Agreement are severable, and if any clause or provision shall be held invalid and unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part thereof, in such jurisdiction, 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.

13. Modification. This Agreement cannot be altered, amended or modified in any way, except as specifically provided in Sections 2 and 4 hereof or by a writing signed by the parties hereto.

14. Cumulative Remedies; Power of Attorney. All of Agent's rights and remedies with respect to the Trademarks and the Licenses, whether established hereby, by any other agreements or by law, shall be cumulative and may be exercised singularly or concurrently. Borrower hereby **irrevocably** appoints Agent as Borrower's **attorney-in-fact**, with full authority in the place and stead of Borrower and in the name of Borrower or otherwise exercisable during an Event of Default to carry out the acts described below. Subject to the terms of the Loan Agreement, upon the occurrence and during the continuance of an Event of Default and the giving by Agent of written notice to Borrower of Agent's intention to enforce its rights and claims against Borrower, Borrower hereby authorizes Agent to, in its sole discretion (i) endorse Borrower's name on all applications, documents, papers and instruments necessary or desirable for Agent in the use of the Trademarks and the Licenses, (ii) take any other actions with respect to the Trademarks and the Licenses as Agent deems are in their best interest, (iii) grant or issue any exclusive or nonexclusive license under the Trademarks to anyone on commercially reasonable terms, and (iv) assign, pledge, convey or otherwise transfer title in or dispose of the Trademarks to anyone on commercially reasonable terms. Agent shall take no action pursuant to subsection (i), (ii), (iii) or (iv) of this Section 14 without taking like action with respect to the entire goodwill of Borrower's business connected with the use of, and symbolized by, such Trademarks. Borrower hereby ratifies all that such attorney-in-fact shall lawfully do or cause to be done by virtue hereof. This power of attorney is coupled with an interest and shall be irrevocable until this Agreement shall have been terminated pursuant to Section 6. Borrower acknowledges and agrees that this Agreement is not intended to limit or restrict in any way the rights and remedies of Agent under the Loan Agreement, but rather is intended to facilitate the exercise of such rights and remedies. Agent shall have, in addition to all other rights and remedies given it by the terms of this Agreement, all rights and remedies allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in any applicable jurisdiction.

15. Binding Effect; Benefits. This Agreement shall be binding upon Borrower and its successors and assigns, and shall inure to the benefit of Agent, Lenders and their nominees, successors and assigns. Borrower's successors and assigns shall include, without limitation, a



receiver, trustee or debtor-in-possession of or for Borrower; provided, however that Borrower shall not voluntarily assign its obligations hereunder without the prior written consent of Agent.

16. Governing Law. This Agreement shall be governed by and construed in accordance with the laws and decisions of the State of Illinois, excluding choice of law provisions, principles, and decisions that would require the application of the laws of a jurisdiction other than the State of Illinois.

17. Notices. All notices or other communications hereunder shall be given in the manner and to the addresses set forth in the Loan Agreement.

18. Section Headings. The section headings herein are for convenience of reference only, and shall not affect in any way the interpretation of any of the provisions hereof.

19. Execution in Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

20. Right of Recordal of Security Interest. Agent shall have the right, but not the obligation, at the expense of Borrower, to record this Agreement in the United States Trademark Office and with such other recording authorities deemed reasonable and proper by Agent, and Agent shall advise Borrower of such recordals. Upon satisfaction in full of the Obligations and termination of the Loan Agreement, Borrower shall have the right to effect recordal of such satisfaction or termination at the expense of Borrower in the United States Trademark Office and with such other recording authorities deemed reasonable and proper by Borrower. Agent and Borrower shall cooperate to effect all such recordals hereunder.

[SIGNATURE PAGE FOLLOWS]


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

**AMERICAN WATER HEATER COMPANY**, a Nevada corporation

By: \_\_\_\_\_  
Its: TREASURER

ATTEST:

By: \_\_\_\_\_  
Its: SECRETARY



(SEAL)


Accepted and agreed to as of this 14<sup>th</sup> day of June, 2002

**FLEET CAPITAL CORPORATION**, a Rhode Island corporation

By: \_\_\_\_\_  
Its: \_\_\_\_\_

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

**AMERICAN WATER HEATER  
COMPANY, a Nevada corporation**

By:   
Its: TREASURER


ATTEST:

By: \_\_\_\_\_  
Its: \_\_\_\_\_

(SEAL)

Accepted and agreed to as of this 19<sup>th</sup> day of  
June, 2002

**FLEET CAPITAL CORPORATION, a  
Rhode Island corporation**

By:   
Its: Signer see Attached

STATE OF TENNESSEE )  
 ) SS.  
COUNTY OF WASHINGTON )

Before me, MICHAEL S. MCKINNEY, a Notary Public in and for the State and County aforesaid, personally appeared PETER MARTINEAU, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged himself to be the TREASURER of **American Water Heater Company**, the within named bargainer, a corporation, and that he as such TREASURER, being duly authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by himself as such TREASURER.

WITNESS my hand and seal at office, on this 19<sup>TH</sup> day of June, 2002.

Michael S. McKinney  
Notary Public



My Commission Expires:

APRIL 24, 2006

**SCHEDULE A**  
to Trademark and License Security Agreement

**TRADEMARKS**

<u>MARK</u>	<u>COUNTRY</u>	<u>APP. NO. FILING DATE</u>	<u>REG. NO. REG. DATE</u>	<u>GOODS</u>
*Smartest Choice	USA	76-334,871 11/6/01	Pending	Water Heaters for Domestic and Commercial Use
*Energy Smart	USA	76-295, 192 8/3/01	Pending	Water Heaters for Domestic and Commercial Use
America's Favorite Water Heater	USA	76-213,647 2/21/01	2,566,340 4/30/02	Water Heaters for Domestic, Commercial or Industrial Use
Commercial Sizing Wizard	USA	75-295,714 5/21/97	2,427,634 2/6/01	Computer Software for Use in Selecting Water Heaters
American and Eagle Design	USA	75-271,289 4/8/97	2,199,454 10/27/98	Water Heaters for Domestic, Commercial and Industrial Use
New Logo American Eagle	USA	75-271,029 4/8/97	2,152,345 4/21/98	Water Heaters for Domestic, Commercial and Industrial Use
New Eagle Design Only	USA	75-013,934 11/2/95	2,040,052 2/25/97	Water Heaters for Domestic, Commercial and Industrial Use
Proline	USA	74-695,500 6/30/95	1,982,501 6/25/96	Water Heaters
Proline Plus	USA	74-685,885 6/8/95	2,067,732 6/3/97	Water Heaters
US Craftmaster	USA	74-591,665 10/28/94	1,928,090 10/17/95	Water Heaters
Supreme	USA	74-504,792 3/24/94	1,887,060 4/4/95	Water Heaters
Profits Through Partnership	USA	74-475,824 1/3/94	1,937,785 11/28/95	Promoting the Services of Water Heater Distributors through the Distribution of Printed Promotional Materials and by Rendering Sales Promotion Incentives and Advice
Champion	USA	74-366,132 3/8/93	1,802,009 11/2/93	Water Heaters and Parts and Accessories Therefor

\*Denotes Pending Trademark Applications

Powerflex	USA	74-317,477 9/24/92	1,774,168 6/1/93	Water Heaters and Parts and Accessories Therefor, including related Parts for Conducting Combustion Products through a Building Wall; Namely, Blowers and Conduits
Super Eagle	USA	74-005,191 11/27/89	1,681,092 3/31/92	Hot Water Heaters used in Plumbing and Furnace Applications
De-Limer	USA	73-657,739 4/27/87	1,464,497 11/10/87	Domestic, Commercial and Industrial Hot Water Heaters
Proline (Stylized Letters)	USA	73-625,769 10/17/86	1,500,029 8/9/88	Domestic, Commercial and Industrial Hot Water Heaters
Polaris	USA	73-566,769 11/4/85	1,512,581 11/15/88	Gas and Electric Combination Space and Water Heaters for Domestic Use
Craftmaster	USA	73-362,158 4/29/82	1,236,180 5/3/83	Gas and Electric Hot Water Heaters
Neptune	USA	73-345,043 1/8/82	1,261,619 12/20/83	Domestic, Commercial and Industrial Hot Water Heaters
Mor-Flo	USA	0602995 2/28/52	602,995 3/8/55	Manually Controlled Gas-Fired and Oil-Fired Water Heaters of the Tank Type, and Hot Water Tanks
Jackson	USA	72111801 1/13/61	720,913 9/5/61	Electric Water Heaters Gas Water Heaters
Hotstream	USA	72304804 8/9/68	871,776 6/24/69	Gas, Oil and Electric Water Heaters
Limefighter	USA		1,213,188 10/19/82	Application for renewal due 10/19/02
Nautilus	USA		1,219,030 12/7/82	
American	USA		1,230,983 3/15/83	

**FOREIGN TRADEMARKS**

<u>MARK</u>	<u>COUNTRY</u>	<u>APP. NO. FILING</u>	<u>REG. NO.</u>
Nautilus	Canada	340,194	5/13/88
Integra	Canada	382,854	4/21/91
Proline	Canada	501,994	10/7/98
Proline Plus	Canada	507,017	1/25/99

<u>MARK</u>	<u>COUNTRY</u>	<u>APP. NO. FILING</u>	<u>REG. NO.</u>
*Mor-Flo	Puerto-Rico	8,287	8/22/97
*Champion	China	2001081365	5/18/01
*Proline	China	2001084700	5/23/01
Craftmaster	China	982256	4/14/97
*US Craftmaster	China	2001091752	6/1/01
*Energy Smart	China	Not yet known	1/31/02
Craftmaster	Hong Kong	8973/1997	9/9/97
Craftmaster	Indonesia	396096	10/6/97
*Energy Smart	Korea	40-2002-0005644	2/2/02
Craftmaster (Intend to lapse/not renew in Nov 2002)	Malaysia	95/11674	7/18/98
Eagle	Singapore	7557/95	8/16/95
Eagle	Taiwan	740,096	1/16/97
Craftmaster	Taiwan	740,097	1/16/97
Craftermaster	Thailand	KOR46,719	10/2/95
Craftmaster	Vietnam	21061	6/12/96
Eagle	Vietnam	21080	6/18/96
American Craftmaster	Vietnam	22968	11/6/96

\*Denotes Pending Trademark Applications

**SCHEDULE B**  
to Trademark and License Security Agreement

LICENSES

Name of License	Nature of License	Licensor	Term of License
Restated American Water Heater License Agreement	Non-exclusive, perpetual, paid-up license of patented technology, related know-how, trade and service marks, etc. for the manufacture of water heaters and related components	SRP687 PTY, Ltd., an Australian Company Flameguard	License dated as of April 2, 2002; License is perpetual as long as AWHC is in water heater business
Trademark License Agreement	License to use Whirlpool trademark "Energy Smart" in connection with manufacture of water heaters for Whirlpool	Whirlpool Corporation	June 1, 2000, as amended November 1, 2001. One year term with automatic renewals unless terminated.