

10-09-2002



102244931

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

REGISTRATION FORM COVER SHEET TRADEMARKS ONLY

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

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

1. Name of conveying party(ies): Wedco Moulded Products Company 10-7-02 2. Name and address of receiving party(ies): The CIT Group/Business Credit, Inc. 10 South LaSalle Street Chicago IL 60603 3. Nature of conveyance: Security Agreement 4. Application number(s) or registration number(s): 1,911,094; 1,705,049; 1,900,538; and 2,096,208 5. Name and address of party to whom correspondence concerning document should be mailed: Holly Miller Vedder, Price, Kaufman & Kammholz 222 North LaSalle St. - 24th Floor Chicago IL 60601 6. Total number of applications and registrations involved: 4 7. Total fee (37 CFR 3.41): \$ 115.00 8. Deposit account number: 9. Signature: Angelo J. Bufalino October 2, 2002

OFFICE OF PUBLIC RECORDS 2002 OCT -7 AM 9:15 FINANCE SECTION

10/08/2002 LHWELLER 00000096 1911094 01 FC:481 02 FC:482 40.00 OP 75.00 OP

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

TRADEMARK REEL: 002595 FRAME: 0074

## TRADEMARK AND LICENSE SECURITY AGREEMENT

TRADEMARK AND LICENSE SECURITY AGREEMENT ("Agreement") dated as of September 30, 2002, made by Wedco Moulded Products Company, a Nova Scotia unlimited liability company ("Grantor"), in favor of The CIT Group/Business Credit, Inc., a New York corporation, as agent (the "Agent"), for the lenders ("Lenders") who are parties to that certain Financing Agreement of even date herewith (as the same may hereafter be amended or otherwise modified from time to time, the "Financing Agreement") by and among Lenders, Agent, The Plastics Group, Inc., a Delaware corporation ("TPG"), and Fremont Plastic Products, Inc., an Ohio corporation ("Fremont"); and collectively with TPG, the "Borrowers").

### WITNESSETH:

WHEREAS, Lenders, Agent and Borrowers have entered into the Financing Agreement pursuant to which Lenders have, subject to certain conditions precedent, agreed to make loans, advances and other financial accommodations (collectively, the "Loans") to Borrowers;

WHEREAS, Grantor has entered into that certain Guaranty of even date herewith ("Guaranty") in favor of Agent guaranteeing the obligations of Borrowers under the Financing Agreement;

WHEREAS, Grantor will benefit, directly and indirectly, from the making of the Loans to Borrowers; and

WHEREAS, Lenders have required as a condition, among others, to the making of the Loans, in order to secure the prompt and complete payment, observance and performance of all of each of Grantor's obligations and liabilities hereunder, under the Guaranty, and under all of the other instruments, documents and agreements executed and delivered by Grantor to Agent and/or any of the Lenders in connection with the Guaranty (all such obligations and liabilities being hereinafter referred to collectively as the "Obligations"), that Grantor 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, Grantor agrees as follows:

1. Defined Terms.

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

- (ii) 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.
- (iii) 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, Grantor hereby grants to Agent for its benefit and the ratable benefit of Lenders, a first priority security interest having priority over all other security interests, with power of sale to the extent permitted by applicable law, in all of Grantor's now owned or existing and filed and hereafter acquired or arising and filed:

- (i) trademarks, registered trademarks and trademark 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 attached hereto, 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 Grantor'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 Section 2(i), being sometimes hereinafter individually and/or collectively referred to as the "Trademarks"), except in such jurisdictions where such grant would cause such trademarks to become invalid or unenforceable;
- (ii) the goodwill of Grantor'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 Grantor is licensor or licensee under any such license agreement, including, but not limited to, the license agreements

listed on Schedule B attached hereto, 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 rights under the Financing 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 intent-to-use trademark applications to the extent the granting of a security interest hereunder shall in any way adversely affect such application.

3. Restrictions. Grantor agrees (a) not to sell or assign its respective interests in, or grant any license under, the Trademarks or Licenses without the prior written consent of Agent, (b) to maintain the quality of any and all products in connection with which the Trademarks are used, consistent with the quality of said products as of the date hereof, and (c) not to change the quality of such products in any material adverse respect without the prior written consent of Agent. After the date hereof, Grantor will not, without the prior written consent of Agent, enter into any agreement, including, without limitation, any license agreement, which is inconsistent with this Agreement, and Grantor further agrees that it will not take any action, and will use their best efforts not to permit any action to be taken by licensees or others subject to its control, or fail to take any action, which would in any material respect affect the validity or enforcement of the rights transferred to Agent under this Agreement or the rights associated with those Trademarks which are necessary or desirable in the operation of Grantor's business.
  
4. New Trademarks. Grantor represents and warrants that the Trademarks and Licenses listed on Schedules A and B, respectively, include all of the trademarks, trademark registrations, trademark applications, trade names (used within the last three years), service marks, service mark registrations, service mark applications and license agreements in connection with trademarks, registered trademarks, trademark applications, trade names, service marks, registered service marks and service mark applications now owned or held by Grantor. If, prior to the termination of this Agreement, Grantor shall (i) obtain rights to any new trademarks, trademark registrations, trademark applications (except intent-to-use 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 (except intent-to-use applications), trade name, service mark, service mark registration or service mark application, the provisions of Section 2 shall automatically apply thereto and Grantor shall give to Agent prompt written notice

thereof. Grantor hereby authorizes Agent to modify this Agreement by (a) 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 (b) 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 trademarks, 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, as the case may be, under Section 2 or this Section 4.

5. Royalties. Grantor hereby agrees that the use by Agent of the Trademarks and Licenses as authorized pursuant to Section 11 shall, to the extent permitted by applicable law, be co-extensive with Grantor's rights thereunder and with respect thereto and without any liability for royalties or other related charges from Agent to Grantor.
6. Nature and Continuation of Agent's 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 Financing Agreement has been terminated in accordance with its terms. At such time, the rights, liens and security interests granted to Agent hereunder shall also terminate and Agent shall deliver to Grantor all such documents and instruments as may reasonably be necessary to terminate the Liens created pursuant to this Agreement and to evidence such termination, including, without limitation, the rights granted under Section 21.
7. Intentionally Deleted.
8. Duties of Grantor. Grantor shall have the duty, to the extent desirable in the normal conduct of Grantor's business and consistent with Grantor's current business practices (i) to prosecute diligently any 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 Grantor deems appropriate, and (iii) to preserve and maintain all of Grantor'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 Grantor. Grantor 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 desirable, in the Grantor's reasonable judgment, in the operation of the Grantor's business. Grantor agrees to retain an experienced trademark attorney for the filing and prosecution of all such applications and other proceedings. Agent shall not have any duty with respect to the Trademarks. Without limiting the generality of the foregoing, Agent shall not 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 expenses incurred in connection therewith shall be for the sole account of Grantor and added to the Obligations secured hereby.

9. Agent's Right to Sue. From and after the occurrence and during the continuance of an Event of Default, and subject to the terms of the Financing 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, Grantor shall, at the request of Agent, do any and all lawful acts and execute any and all proper documents reasonably required by Agent in aid of such enforcement. Grantor shall, upon demand, promptly reimburse and indemnify Agent for all costs and expenses incurred by Agent in the exercise of its rights under this Section 9 (including, without limitation, all 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 Grantor 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 Financing 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 Financing Agreement shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege.
11. Agent's Exercise of Rights and Remedies Upon Event of 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 Financing Agreement, or any other agreement executed in connection therewith. Without limiting the generality of the foregoing, Grantor acknowledges and agrees that (i) the Trademarks and the Licenses comprise a portion of the Collateral and

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

12. Authority of Agent. Grantor acknowledges that the rights and responsibilities of Agent under this Agreement with respect to any action taken by Agent or the exercise or non-exercise by Agent of any right or remedy provided for herein or resulting or arising out of this Agreement shall, as between Agent and Lenders, be governed by the Financing Agreement and by such other agreements with respect thereto as may exist from time to time among them, but, as between Agent and Grantor, Agent shall be conclusively presumed to be acting as agent for Lenders with full and valid authority so to act or refrain from acting, and Grantor shall be under no obligation, or entitlement, to make any inquiry respecting such authority.
13. 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 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.
14. Modification. This Agreement cannot be altered, amended or modified in any way, except as specifically provided in Section 4 hereof or by a writing signed by all the parties hereto.
15. 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. Grantor hereby irrevocably appoints Agent as Grantor's attorney-in-fact, with full authority in the place and stead of Grantor and in the name of Grantor or otherwise to carry out the acts described below. Subject to the terms of the Financing Agreement, upon the occurrence and during the continuance of an Event of Default and the giving by Agent of written notice to Grantor of Agent's intention to enforce its rights and claims against Grantor, Grantor hereby authorizes Agent to, in its sole discretion (i) endorse Grantor's name on all applications, documents, papers and instruments necessary or desirable for Agent in the use of the Trademarks

and Licenses, (ii) take any other actions with respect to the Trademarks and Licenses as Agent deems is in the best interest of Agent and Lenders, (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. Grantor hereby ratifies all actions 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. Grantor acknowledges and agrees that this Agreement is not intended to limit or restrict in any way the rights and remedies of Agent under the Financing 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 jurisdiction in which the Trademarks may be located or deemed located.

16. Binding Effect; Benefits. This Agreement shall be binding upon Grantor and its successors and assigns, and shall inure to the benefit of Agent and its nominees, successors and assigns as permitted by the Financing Agreement. Grantor's successors and assigns shall include, without limitation, a receiver, trustee or debtor-in-possession of or for Grantor; provided, however that Grantor shall not voluntarily assign its obligations hereunder without the prior written consent of Agent.
17. Governing Law. This Agreement shall be governed by and construed in accordance with the internal laws (as distinguished from the conflicts of law provisions) and decisions of the State of Illinois.
18. Notices. All notices or other communications hereunder shall be given in the manner and to the addresses set forth in the Financing Agreement.
19. 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.
20. 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.
21. Right to Record Security Interest. Agent shall have the right, but not the obligation, at the expense of Grantor, to record this Agreement in the United States Patent and Trademark Office and with such other recording authorities deemed reasonable and proper by Agent. Upon satisfaction in



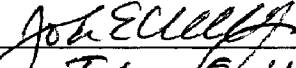
full of the Obligations and termination of the Financing Agreement in accordance with its terms, Grantor shall have the right to effect the recording of such satisfaction or termination at the expense of Grantor in the United States Patent and Trademark Office and with such other recording authorities deemed reasonable and proper by Grantor. Agent and Grantor shall cooperate to effect all such recordings hereunder.

**[SIGNATURE PAGE FOLLOWS]**

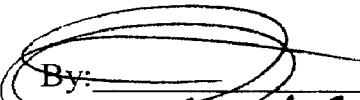
*Signature Page to Trademark and License Security Agreement*

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

**WEDCO MOULDED PRODUCTS  
COMPANY**, a Nova Scotia unlimited  
liability company

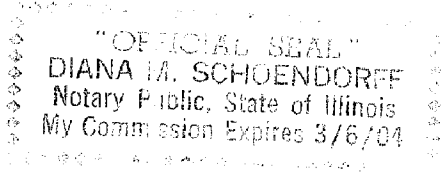
By:   
Name: John E. Udelhofen  
Title: Chief Financial officer

**THE CIT GROUP/BUSINESS CREDIT,  
INC.**, a New York corporation, as Agent for  
the Lenders

By:   
Name: James D. Anderson  
Title: Vice President

STATE OF ILLINOIS )  
 ) SS  
COUNTY OF COOK )

The foregoing TRADEMARK AND LICENSE SECURITY AGREEMENT was executed and acknowledged before me this 30<sup>th</sup> day of September, 2002, by John E. Udelhofen, personally known to me to be the Chief Financial Officer of WEDCO MOULDED PRODUCTS COMPANY, a Nova Scotia unlimited liability company, on behalf of such entity.

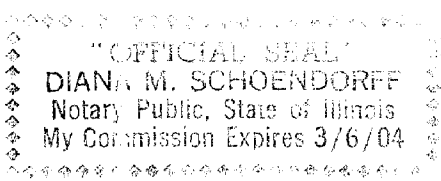


[Signature]  
Notary Public

My commission expires: 3/6/04

STATE OF ILLINOIS )  
 ) SS  
COUNTY OF COOK )

The foregoing TRADEMARK AND LICENSE SECURITY AGREEMENT was executed and acknowledged before me this 30<sup>th</sup> day of September, 2002, by Jim Anderson, personally known to me to be the Vice President of THE CIT GROUP/BUSINESS CREDIT, INC., a New York corporation, on behalf of such entity.



[Signature]  
Notary Public

My commission expires: 3/6/04

**SCHEDULE A**

To Trademarks License and Security Agreement

**TRADEMARKS**

Grantor has the following Trademarks:

<u>Trademark</u>	<u>Owner</u>	<u>Status in Trademark Office</u>	<u>Federal Registration Number</u>	<u>Registration Date</u>
THE WASHBOARD (U.S.)	Wedco Moulded Products Company	Registered	1,911,094	08/15/95
VERSAFLEX (U.S.)	Wedco Moulded Products Company	Registered	1,705,049	08/04/92
WEDCO (U.S.)	Wedco Moulded Products Company	Registered	1,900,538	06/20/95
WEDCO (U.S.)	Wedco Moulded Products Company	Registered	2,096,208	09/16/97
VERSAFLEX (Canada)	Wedco Moulded Products Company	Registered	TMA 384,977	05/24/96
WEDCO (Canada)	Wedco Moulded Products Company	Registered	TMA 421,536	12/24/98
WEDCO (Canada)	Wedco Moulded Products Company	Registered	TMA 433,225	09/09/99
WEDCO (Australia)	Wedco Moulded Products Company	Registered	595014	
VERSAFLEX (Australia)	Wedco Moulded Products Company	Registered	543251	
VERSAFLEX (New Zealand)	Wedco Moulded Products Company	Registered	205,210	

**SCHEDULE B**

To Trademark License and Security Agreement

**TRADEMARK LICENSES**

Grantor has the following Trademark Licenses:

License Agreement between Wedco Moulded Products Company and Briggs & Stratton Corporation, dated as of December 21, 1999.